





**State of South Carolina**  
**The Circuit Court of the Thirteenth Judicial Circuit**

**Edward W. Miller**  
Judge

Greenville County Courthouse  
305 E. North Street, Suite 219  
Greenville, SC 29601  
Phone: (864) 467-8569  
Fax: (864) 233-4173  
emillerj@sccourts.org

October 6, 2020

Ms. Erin B. Crawford, Esquire  
Chief Counsel, Judicial Merit Selection Commission  
Post Office Box 142  
Columbia, South Carolina 29202

RE: Complainant: Arthur M. Field

Dear Ms. Crawford:

Please allow this letter to serve as my reply to the above referenced Complaint. Enclosed please find:

- 1.) A copy of the 91 page, fourteen count State Grand Jury Indictment #2012-GS-47-08, State v. Arthur M. Field and Frederick Scott Pfeiffer;
- 2.) Copy of the fourteen Sentencing Sheets containing the sentences against the complainant resulting from his guilty plea to the above Indictment.

I would also crave reference to the Public Index of Greenville County, S.C. relating to the case of *Tomz, et. al. vs. CIF, LLC, et. al.*, 2008-CP-23-03665, which contains over 900 filings and more than 5300 pages. Additionally, I will provide, if requested or necessary, transcripts of at least 14 hearings relating to this matter. And, finally, I will provide access, if requested or necessary; to the entire, voluminous file, in my office, relating to this case.

**FACTS**

The underlying civil lawsuit from which this Complaint arises is a complex matter with many unusual components. The Complainant was a defendant in numerous lawsuits which included a class action, resulting from his conduct while he was President of Capital Investment Funding, LLC (CIF). In that capacity, Mr. Field solicited money from individuals, representing that these funds would be invested to produce high yield returns to the investors. Field based his business model for this illegal enterprise on the well-known Home Gold/Carolina Investors scheme. Field's company failed and more than 600 investors lost their entire investment, a loss in

excess of thirty-eight million dollars (\$38,000,000.00). Most of these misappropriated monies remain missing. A Class Action lawsuit ensued, along with several accompanying cases by investors who opted out of the Class. These cases were assigned to a different Circuit Judge until he was forced to recuse himself after the above Complainant filed a grievance against him days before a scheduled settlement hearing.

As a result of the recusal, the cases were reassigned to me. I received this reassignment two days before the already scheduled settlement hearing, notice having been sent to all parties, including all members of the Class. The case had been mediated by retired Appellate Court Judge Samuel Stilwell; it was nearly completely settled at the time of the hearing. The transcript of the July 23, 2009 hearing lists parties and attorneys who were present at the hearing, including representatives of the State Attorney General office. An *in chamber* meeting with the attorneys, the mediator, the Assistant Attorneys General and the Complainant, acting *pro se*, immediately prior to the hearing, resulted in the Order approving the Global Mediated Settlement Agreement. A provision protecting Field's Fifth Amendment rights was included in the Order as a result of Field's demands and his denial of criminal wrongdoing. Field consented to the Global Mediated Settlement Order as evidenced by his signature in the Order.

The 2009 Order settled those cases and resulted in the appointment of a Receiver, acting as the arm of the Court, whose duty was to marshal the assets of CIF for distribution to the investors. Field was obligated, pursuant to this consent Order, to cooperate fully with the Receiver, including turning over all books and records of CIF and any other records which would assist the Receiver in recovering assets. The Receiver retained the services of attorneys to assist him. The Receiver discovered that the business dealings and activities engaged in by Field were convoluted and violated good, ethical business practices. The Receiver and his counsel all reported directly to me; additionally, prior to initiating any significant activity (such as a lawsuit), the Receiver consulted with me to receive permission to proceed. I was regularly kept apprised of the status of the Receivership and efforts to recover assets.

It is important to note that a Receivership is an atypical, hybrid form of litigation, the purpose of which is the marshalling of assets from a debtor (in this case Field and the other defendants) for the benefit of the aggrieved parties (in this case the 680 class members from all over the state of South Carolina). My role as the Judge in this case was to oversee and monitor the actions of the Receiver to ensure that the assets were collected and that the requirements of and obligations of the Global Mediated Settlement Agreement were complied with. In this atypical litigation, the roles of the participants, including the Judge, are different and distinguishable from normal litigation.

A criminal investigation of Field, conducted by the Attorney General, was proceeding simultaneously. A subpoena to require production of the Field materials, produced to the Receiver pursuant to the Order, was served on the Receiver by the State Grand Jury; the service of this subpoena resulted in a conflict between the Attorney General and me. The Assistant Attorney General agreed not to pursue the subpoena when I agreed to allow the Receiver to meet and to cooperate with State Grand Jury investigators. The Receiver disclosed to them materials which were not violative of Field's constitutional rights. The Assistant Attorney General, however, would not disclose any information about their investigation. This situation continued from the

time of the settlement in August, 2009 through the time of the issuance of the Field Indictment on June 13, 2012.

Shortly before the issuance of the Indictment, the Receiver reported that Field was not abiding by the terms of the Global Settlement Order by failing to produce documents requested by the Receiver. I issued a Rule to Show Cause, dated June 5, 2012, which required Field to appear before me on June 21, 2012 to show cause why he should not be held in contempt of Court for failure to produce requested documents. The temporal proximity of the issuance of the Rule to Show Cause and the Indictment was coincidental. When I learned of the indictment, I continued the Rule to Show Cause hearing because Field was incarcerated.

During the course of the Receivership, the members of the Class remained active in and concerned with the progress of the asset recovery and the unraveling of the actions of CIF and related entities. Pursuant to the Global settlement, Class Counsel was to keep the Class informed of the Receiver's progress. The progress was slow as the Receiver worked to unravel the convoluted and tortuous business dealings employed by Field's improper use of CIF in the investment of the assets. The Class expressed dissatisfaction, with their perceived lack of progress, to their Class Counsel.

The June 13, 2012 Indictment resulted in Field's guilty plea on May 6, 2013 to two (2) counts of Criminal Conspiracy, one (1) count of Forgery and eleven (11) counts of felony Securities Fraud.

The Receivership continued to pursue the marshalling of assets throughout this time and up to the current date. Field's failure to comply, with his agreement in the Mediated Global Settlement to cooperate and be truthful, caused the Receiver to request multiple Rules to Show Cause against Field seeking Contempt of Court sanctions against him. The Public Index shows that six (6) Rules to Show Cause were filed against Field from 2012 to 2018. No sanctions were levied against Field until 2018. Finally, in 2017 and 2018, the Court was apprised of Field's devious attempt (while he was on Probation for the above listed convictions) to misappropriate an insurance check, belonging to the Receivership, in the amount of \$17,414.74. On November 27, 2017, at a Rule to Show Cause hearing, Field voluntarily offered testimony to the Court, under oath, with counsel present, concerning the circumstances surrounding these funds and attempted to cast blame on the insurance carrier. On July 2, 2018, the hearing was reconvened to take testimony regarding the check. At the hearing I found Field in criminal contempt of Court for lying under oath to the Court and sentenced him to six (6) months imprisonment.

The Court's involvement was dormant from that time forward until December of 2019 when Class Counsel filed a motion seeking declaratory relief under the 2017 Global Settlement Agreement (consented to by all parties, including Field) to impose \$250,000.00 liquidated damages against Field for his failure to abide by the Agreement. Field's counsel, as a member of the Legislature, was entitled to protection from Court appearances through the spring of 2020. On September 8, 2020, Class Counsel requested a hearing be held to dispose of the Motion. A hearing notice was sent out to all parties on September 18, 2020, setting the hearing date for September 30, 2020. Field then filed multiple grievances against me.

My intent, at the scheduled September 30, 2020 hearing, was to bring this case to a conclusion by tying up the remaining pending matters. On September 28, 2020, I learned of Field's Motion to Recuse (filed September 27, 2020) wherein it was described that Field had filed complaints against me with the Judicial Merit Selection Commission and the Office of Disciplinary Counsel. On September 29, 2020, I contacted the Chief Justice and requested that this case be reassigned to a different Circuit Judge.

## RESPONSE

In response to this Complaint, I believe it is important that the Court's posture be examined in light of the fact that I was supervising a Receivership. A receiver "has no power other than that given him by the Order of appointment, [and] his authority is derived solely from the Court. He is subject only to the Court's direction." *Kirven v. Lawrence*, 244 S.C. 572, 137 S.E.2d 764, 768 (1964). The primary responsibility of a receiver is "to manage the property under the direction of the court for the best interest of all concerned." *In re Fifty-Four First Mortgage Bonds*, 15S.C. 304, 315 (1881). "A receiver represents the court appointing him, and he is an officer of the court and is the agency through which the court acts." *Kirven*, 244 S.C. at 580, 137 S.E.2d at 768. South Carolina Code of Laws Section 15-65-10 *et. seq.* and South Carolina Rules of Civil Procedure Rule 66 address the duties and responsibilities of receivers.

Field has actively exhibited a pattern of obfuscation and prevarication throughout the course of the Receivership. This pattern is the same type of conduct pursued by Field in the underlying case which resulted in the Indictment and felony convictions of Field. Most of his accusations against me are false and/or a perversion of the facts. Two of the most glaring misrepresentations by Field are his accusations that I interfered with or altered the official transcripts, and that I interfered with the filing of documents with the Clerk of Court. I categorically deny these blatant misstatements.

## CANON 3B(2)

Field has alleged that I am biased and prejudiced, and that I made "highly prejudicial, inflammatory, inaccurate and unwarranted" statements at the December 14, 2011 informal meeting intended to "incite" the Class members. The statements I made at this meeting may well describe events that could be prejudicial to Field, but I deny that they are inflammatory, inaccurate or unwarranted. Any prejudice to Field could not arise in this informal meeting or result from these comments, as the comments simply described Field's actual conduct, which resulted in his felony criminal conviction after he plead guilty. My comments were made not to incite the Class members but to calm them. The Class members were, and remain, highly agitated with Arthur Field because of the large monetary loss which they sustained. The meeting was held to explain the progress of the Receiver: what he had recovered, what he had discovered and what actions were ongoing. The Court, through the Receiver, had a duty to keep the Class informed. The Class members expressed interest in learning where the money had gone, what had happened to it, and what remedies were available. My comments to the Class were made in an effort to distill very complex dealings into easily understandable terms and to answer their concerns.

I was not swayed by partisan interests, public clamor, or fear of criticism. The easiest course of conduct for me to follow (had I been swayed by public clamor, partisan interests, or fear of criticism) would have been to not hold any meetings with the Class. Such a course would have allowed me to avoid facing scrutiny and criticism. Through holding the informal meeting and providing information to the Class, I was being faithful to the requirements of the law and the Global Mediated Settlement. I was exercising professional competence by: meeting with the Class; providing the Class an opportunity to hear the Receiver report his progress; allowing them to ask questions; and, thereby, maintaining their faith in the judicial system. While in a typical case it would be inappropriate to conduct this type of informal meeting, a Receivership is a horse of a different color. The relationship between the Court, the Receiver, and the Class is hybrid in nature. The Court, through the Receiver, is responsible for conducting the winding up of the affairs of the company, CIF, and marshaling the assets for the benefit of the Class. Field correctly notes that the underlying case had settled, but misapprehends that the Global Mediated Settlement Order was a final conclusion of the Court's involvement in the resolution of the case. The Order required the Receiver to continue communication with the members of the Class in this hybrid relationship with the Court.

**CANON 3B(4)**

Throughout the course of these proceedings I believe I remained patient, dignified and courteous to litigants, witnesses and lawyers. The voluminous transcripts in this matter bear this out. This case was highly contentious and Field continually frustrated the Receiver's efforts to marshal assets. Some remarks made at some of the numerous hearings in this case could be characterized as acerbic and unnecessary, however, reviewed in the overall context of the proceedings, they did not prejudice Field or rise to a violation of Judicial Canons.

**CANON 3B(5)**

I performed my duties without bias or prejudice. Many of the rulings in this case did not favor Field because of the culpability of his conduct. Field, despite having pleaded guilty to the fourteen count Indictment, maintained his innocence in causing the 38 million dollar loss to the 680 investors. I allowed the victims of his crime to speak at several hearings to express their frustration with their loss. Field now argues that he should have been allowed to cross examine these victims (no such request was made at the time). Again, in the hybrid stature of the Receivership, those soliloquies were not related to any substantive matter but purely to allow the aggrieved victims to express themselves.

**CANON 3B(7)**

Field has alleged that I participated in improper *ex parte* communications. My conduct and my knowledge of the facts must be viewed in the context of the law of Receiverships. The Receiver acts as an agent of the Court and that it is entirely appropriate for the Court to consult with a duly appointed Receiver to monitor his conduct and the results of his efforts. I discussed with the Receiver his work, his findings, the results of his investigation, and his intended course of action. I was very familiar with the conduct of the parties in the settled lawsuit, and it was appropriate for me to be familiar with the facts, documents and evidence in the case. I was well

acquainted with the inappropriate business dealings which resulted in the multi-million dollar loss to the Class members. My comments in the hearings were the result of my knowledge of the case derived from my oversight of the Receiver. My knowledge of the facts and my comments at the hearings were not the result of improper *ex parte* communications.

In his Complaint, Field seems to assert that I should have had no knowledge of the facts of the case that I was charged with handling. Field's logic would require a trial judge to recuse himself/herself from sentencing in a criminal case because they had become familiar with the facts of the case during trial. Similarly, in a complex case assigned to a judge who heard discovery motions, which exposed the judge to the facts of the case, Field's logic would preclude that judge from hearing the case on the merits.

I hope that this reply sufficiently answers the allegations against me.

Please let me know if you require anything further from me.

With kind regards, I am

Yours very truly,

A handwritten signature in black ink, appearing to read "Edward W. Miller", written in a cursive style.

Edward W. Miller







State of South Carolina  
The Circuit Court of the Thirteenth Judicial Circuit

The Honorable Edward W. Miller  
Judge

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October 27, 2020

Ms. Erin B. Crawford, Esquire  
Chief Counsel, Judicial Merit Selection Commission  
Post Office Box 142  
Columbia, South Carolina 29202

RE: Complainant: Arthur M. Field (Supplemental Complaint)

Dear Ms. Crawford:

Please accept this submission as my reply to the above matter. I incorporate by reference my original response to you dated October 6, 2020. I have also enclosed in this submission the following documents:

- 1) Notice of Motion and Motion to Recuse, filed by Field's attorney, Micajah P. Caskey, IV, on September 27, 2020;
- 2) Plaintiff's Amended Memorandum in Opposition to Defendant Field's Motion to Recuse;
- 3) Affidavit of Jerry Saad, Receiver for Capital Investment Funding;
- 4) Affidavit of Stan Case, attorney for the Plaintiff Class in the underlying litigation; and
- 5) Affidavit of Beattie Ashmore, Attorney at Law.

In response to paragraph one of the supplemental complaint: Field's filing of this complaint follows the pattern of his conduct in the underlying litigation and in his conduct as an attorney (prior to his disbarment in two other states). In a pending motion in the underlying litigation, Plaintiff is seeking relief from and sanctions for Field's failure to abide by the terms of the December, 2017 Global Settlement Agreement, to which Field consented. Field was aware that the hearing was to be scheduled and he anticipated a negative result for himself. His pattern of conduct is to attack anyone he perceives to be adversarial to his position. This pattern of conduct is described in detail in the submission "Plaintiff's Amended Memorandum in Opposition to Defendant Field's Motion to Recuse."

In response to paragraphs two through seven of the supplemental complaint: I reiterate that communication between the Court and a court-appointed Receiver is not *ex parte*. The Receiver is the agent of the Court and as such is required to keep the Court informed of the progress of the marshalling of the assets (in this case \$38,000,000.00 of misappropriated monies belonging to the 680 state wide victims of Field's criminal conduct). I reference the Affidavit of Beattie Ashmore, an experienced court appointed receiver in the United States District Court, for an independent explanation of the relationship between the Court and a court appointed Receiver. The cases cited by Field do not support his position with respect to *ex parte* communication.

In response to paragraph nine of the supplemental complaint: I did not instruct the Receiver to file any particular action against Field. I did approve the Receiver's arduous efforts to marshal the assets.

Field's litigation strategy included: the filing of numerous Motion for Recusal against the presiding Circuit Court Judges, filing grievances against the same Judges, and the filing of grievances against the lawyers representing the Class, the Receiver, and the Receiver himself (all of which were summarily dismissed). Field employed the use of half-truths, misleading information and outright lies, to frustrate, obstruct and impede the marshaling of the missing assets. Field's pattern is to attack his adversaries on a personal level to sow confusion of the issues, divert the focus of inquiry away from himself and to deflect blame away from himself and onto others. The only reasonable conclusion from Field's relentless, nefarious conduct was that he was hiding something.

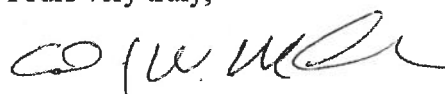
Despite pleading guilty to the entire fourteen (14) count, ninety-one (91) page State Grand Jury Indictment issued because of the criminal misappropriation of thirty-eight million dollars (\$38,000,000.00), Field continues to assert his innocence for the monetary loss sustained by 680 victims who trusted their savings with the deceitful, manipulative and criminal Arthur Field.

At the outset of this Receivership, I had no knowledge of Arthur Field. At the original settlement hearing, I required the insertion of the protection of Field's Fifth Amendment rights into the agreement. This requirement was because the assistant Attorney General attended the hearing and Field insisted that his cooperation with the Receiver was dependent on this clause in the Agreement. However, during the course of the proceedings, Field's relentless deceit, obfuscation and prevarication caused me to learn to never trust Field and to expect Field to pervert every situation for his own benefit.

I hope this reply fully answers the supplemental complaint and if you require anything further please let me know.

With kind regards, I remain

Yours very truly,



Edward W. Miller





State of South Carolina  
The Circuit Court of the Thirteenth Judicial Circuit

The Honorable Edward W. Miller  
Judge

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emillerj@sccourts.org

October 27, 2020

Ms. Erin B. Crawford, Esquire  
Chief Counsel, Judicial Merit Selection Commission  
Post Office Box 142  
Columbia, South Carolina 29202

RE: Complainant: Kathryn Taillon

Dear Ms. Crawford:

Please accept this submission as my reply to the above matter. I incorporate by reference my original and supplemental responses in the Arthur Field complaint matter to you dated October 6 and 27, 2020. I have also enclosed in this submission the following documents:

- 1) Notice of Motion and Motion to Recuse, filed by Field's attorney, Micajah P. Caskey, IV, on September 27, 2020;
- 2) Plaintiff's Amended Memorandum in Opposition to Defendant Field's Motion to Recuse;
- 3) Affidavit of Jerry Saad, Receiver for Capital Investment Funding;
- 4) Affidavit of Stan Case, attorney for the Plaintiff Class in the underlying litigation; and
- 5) Affidavit of Beattie Ashmore, Attorney at Law.

This complaint demonstrates that Ms. Taillon has an extreme dislike for me and the manner in which I managed this Receivership. A review of the Affidavits of Jerry Saad and of Stan Case give a very different version of how I acted throughout the course of this Receivership. I believe the Affidavits give an accurate depiction of my behavior throughout this case.

I had very limited interaction with Taillon in this case and when I did deal with her I treated her with respect. The Transcript of Record for the September 29, 2016 hearing on a Rule to Show Cause recites the only interaction between Taillon and myself in this entire proceeding. She testified as a witness, with her attorney present, and the transcript reflects that my questions to and interaction with her were conducted in a respectful manner.

In response to her description of the “December, 2011 Informal Meeting of Noteholders”: My primary obligation during the Receivership was to marshal the criminally misappropriated assets for the benefit of the Class members. Field had signed a court approved Mediated Global Settlement Agreement to cooperate with the Receiver to do just that. That Settlement Agreement terminated litigation against Field, which was to his benefit. Field never lived up to his cooperation agreement and obstructed the Receiver’s effort at every turn. Taillon’s assertion that I had a personal relationship with the assistant Attorney General is false. I had no involvement in the issuance of the 2012 fourteen (14) count Indictment to which Field pleaded guilty. The Indictment was issued as a result of Field’s criminal conduct.

In response to “the RICO Lawsuits and the Secret Ex Parte Meeting”: I did not instruct, or direct the filing of any particular action, but I did approve all reasonable efforts to collect the misappropriated monies. The Attorney General had no input into any filing in the Receivership proceedings. I stress that contact between the Court and the Receiver is not inappropriate *ex parte* communication as delineated in the Affidavit of attorney, Beattie Ashmore.

In response to “The First Rule to Show Cause Hearing”: I believe the record speaks for itself and no appeal from the alleged lack of service was taken from the complained of hearing. My decision was not arbitrary.

In response to “Judge Miller Calls Field a Criminal Several Times”: The transcript accurately reflects what I said. The statement was true. Field’s criminal conduct resulted in \$38,000,000.00 being taken from the victims of Field’s larcenous scam.

In response to “Judge Miller Denies Continuances”: Field’s repeated requests for continuances, his motions for recusal and his filing of grievances constituted a pattern of strategic efforts to delay and impede the marshalling of assets and to deflect blame from himself, in defiance of his court approved agreement to cooperate.

In response to “the Transcript is Tampered with by Judge Miller”: I have never and would never tamper with a transcript in any case. This claim is false.

In response to “Judge Miler denies reforming the transcript and improperly strikes affidavits....”: The record speaks for itself. There is no missing portion of the transcript.

In response to “the 2016 Show Cause hearing conducted in Field’s absence after he had been involuntarily admitted to a hospital”: The record and transcript speak for themselves. Taillon attended the September 29, 2016 hearing accompanied by her attorney. She was treated with respect by opposing counsel and by the Court during her testimony. She had every opportunity to address the Court and to raise any relevant issue as reflected in the transcript. She did not introduce any exhibits at the hearing.

In response to “Judge Miller demeaned Field and his family and let people in the gallery do so”: This complaint concerns comments made by members of the aggrieved victims during hearings. I allowed the victims to express their concerns but I never allowed the victims to address

Field or his family directly. I never heard the comments Taillon alleges were made and I would not have allowed them, nor would I ever laugh at such comments.

In response to "Judge Miller blocked or diverted Field's recusal motion": The record and the Clerk of Court's file in this case speak for themselves. I did not direct the Clerk to put documents in the file but not to clock them in. The Greenville County Clerk of Court is rigorous in following correct procedure with respect to case files. I did not conduct a "vengeful campaign" against Field and his entire family. I did manage the Receiver's meticulous and thorough pursuit of the misappropriated assets.

In response to "Judge Miller interferes in the 01263 case to deny legitimate discovery demands to protect the Receiver": I did not interfere with this referenced case being managed by a different Circuit Court Judge.

In response to "Judge Miller holds Field in contempt again in 2018...": In 2018 I held Field in criminal contempt of Court and sentenced him to six (6) months in the South Carolina Department of Corrections. Field was held in criminal contempt for lying to the Court, while under oath and in the presence of his attorney, through testimony which Field voluntarily offered. Field had wrongfully obtained and taken a \$17,414.74 insurance proceeds check which belonged to the Receivership. Field then engaged in an elaborate effort to cover his tracks and deflect blame from himself for this unlawful conversion of funds. As is Field's pattern, he attempted to blame the insurance carrier for his unlawful conduct. Taillon's claim that I orchestrated this entire matter to cause a Probation Violation by Field is false.

I hope this reply fully answers the supplemental complaint and if you require anything further please let me know.

With kind regards, I remain

Yours very truly,

A handwritten signature in black ink, appearing to read "EDWARD W. MILLER", written in a cursive style.

Edward W. Miller







From: Sharon Wilkinson  
Sent: Friday, November 13, 2020 12:41 PM  
To: Madison Guyton  
Subject: FW: More information

-----Original Message-----

From: Miller, Edward W. <emillerj@sccourts.org>  
Sent: Thursday, November 12, 2020 4:07 PM  
To: Sharon Wilkinson <SharonWilkinson@scsenate.gov>; ewmlaw@hotmail.com  
Subject: Re: More information

Thank you for sending these documents. I am not sure that there are any new allegations contained in them. I believe most of Field's complaints predate the second GSA (in 2017) which resolved all issues pending at that point and in which Field consented to vest jurisdiction, of all matters going forward, with me. Brad Martin's letter addresses legal issues from which he either had the opportunity to, or actually did, appeal to the Court of Appeals (I have never reviewed the appeal documents). Field's appeals were dismissed.

Field's implied accusation that I am involved in some covert arrangement with attorney Rodney Pillsbury is made up out of whole cloth and appears delusional to me. The Receiver chose the attorneys to represent him in the various lawsuits, and I had nothing to do with those choices. The fact that Pillsbury is involved in the underlying court actions in both of these complaints is coincidental. There is, however, a common thread with both complaints in that in each of them I was dealing with complainants who willfully refused to comply with Orders of the Court. Their willful refusal required imposition of the contempt power of the Court to compel compliance. My record over the course of my eighteen years on the bench shows that I rarely use that contempt power and in each of these complaints I used the contempt power only as a last resort.

I will continue to review these new documents and may send further responses.

Thank you again, Ned Miller

From: Sharon Wilkinson <SharonWilkinson@scsenate.gov>  
Sent: Thursday, November 12, 2020 3:03:07 PM  
To: Miller, Edward W.; ewmlaw@hotmail.com  
Subject: More information

\*\*\* EXTERNAL EMAIL: This email originated from outside the organization. Please exercise caution before clicking any links or opening attachments. \*\*\* Sorry to keep sending these documents in a piecemeal fashion, but the attached document is the latest sent by Field. In speaking with Erin and Andy regarding these latest documents I'm sending you, you may send a written response or you may respond verbally at the hearing if these particular allegations arise during the hearing. Just FYI, I'm going through the enormous volume of documents that have been submitted to ensure that you have received everything that you are entitled to receive.

Also, in reviewing the rules and procedures of the Commission, I wanted to send you the pertinent portions of Rule 15 that allows you to submit questions which the staff or the Commission may ask during the complaint portion of the hearing. Please let me know if you would like to submit questions for our consideration.

15. Unless indicated otherwise by the commission, the order of business for a hearing is as follows: (a) The chairman will open the meeting and call for an executive session in which the chairman will brief the hearing's procedures and subject matter, and the commission will dispose of any matters affecting its rules or procedures. (b) The commission will go into open session and the chairman will determine whether the candidates to be screened are present. Each candidate will in turn be sworn and stand before the commission. Staff counsel and any commission member who wishes will review the personal data questionnaire and question the candidate in regard to that information and any other matter relating to the candidate's qualifications, after which the questionnaire will be made a part of the record. The candidate will be allowed to respond and to explain his or her answers to all inquiries. (c) The chairman will call and swear in witnesses who have either submitted a sworn statement by the deadline established by the commission prior to the hearing or have been subpoenaed

by the  
commission to appear. Staff counsel and commission members will question the  
witnesses, and the  
candidate may submit proposed questions to the commission for consideration. Upon  
the completion of  
testimony, the candidate may respond to the testimony given.

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*William F. Tomz and Francis W. Tomz,  
Individually and as Class Representatives,*

vs.

*Capital Investment Funding, LLC, and  
Arthur M. Field*

C.A. NO. 2008-CP-23-3665

PLAINTIFF'S MEMORANDUM IN OPPOSITION  
TO DEFENDANT FIELD'S MOTION TO RECUSE

**EXHIBIT 15**

*Affidavit of Stan Case – October 12, 2020*

STATE OF SOUTH CAROLINA  
COUNTY OF GREENVILLE

IN THE COURT OF COMMON PLEAS  
FIFTEENTH JUDICIAL CIRCUIT  
CA NO. 2008-CP-23-3665

William F. Tomz and Frances W. Tomz, )  
Individually and as Class Representatives, )

Plaintiff, )

vs. )

Capital Investment Funding, L.L.C. and )  
Arthur M. Field, )

Defendants. )

**AFFIDAVIT OF  
STANLEY T. CASE**

PERSONALLY APPEARED before me, Stanley T. Case, who first being duly sworn,  
deposes and states as follows:

**BACKGROUND OF CLASS COUNSEL**

1. My name is Stanley T. Case. I am a member of the law firm of Butler, Means, Evins & Browne, P.A. I am licensed to practice law in the United States District Court for South Carolina, the United States Fourth Circuit Court of Appeals, the South Carolina Supreme Court and the United States Supreme Court. I graduated from the University of South Carolina School of Law in 1976 and served as Law Clerk to Chief Justice J. Woodrow Lewis of the South Carolina Supreme Court before I began a private practice in Spartanburg, South Carolina. I practice in the areas of civil litigation, business litigation, trust and estate litigation, insurance defense, medical malpractice defense, workers' compensation defense, and commercial and government law.

2. I have been involved in the following reported cases, among others, which originated in South Carolina :

- *Russell v. Wachovia Bank*, 370 S.C. 5, 633 S.E.2d 722 (2006). In this case, the South Carolina Supreme Court held that Fourth Circuit Court of Appeals Judge Donald Russell's children lacked probable cause to challenge his estate plan and held that the no contest clauses in the estate plan documents were valid and enforceable. The Court further held that Mildred Russell Neiman should be held accountable for filing a false affidavit and entered sanctions against her under the South Carolina Frivolous Proceedings Act, S.C. Code Ann. § 15-36-10.
- *Russell v. Wachovia Bank* 353 S.C. 208, 578 S.E.2d 329 (2003). In this case the South Carolina Supreme Court affirmed the order of the circuit judge which granted summary judgment with regard to the validity of Judge Donald Russell's estate plan.
- *Multimedia Publishing Co. v. Greenville Spartanburg Airport District*, 991 F.2d 154 (4<sup>th</sup> Cir. 1992). In this case, the Fourth Circuit Court of Appeals held that the Greenville Spartanburg Airport terminal was not a public forum with regard to the determination of whether a ban on the placement of news racks in the secured areas of the airport infringed upon the first amendment rights of certain newspapers. The Court affirmed the decision of the district court which found that the restriction constituted infringement of first amendment rights.
- *Lightner v. Duke Power Co.*, 719 F.Supp. 1310 D.C.S.C. 1989). Duke Power moved to dismiss the action of Moses Lightner, a state employee, on the grounds that he was not a real party in interest under FRCP 17(a). The Federal District Court granted Duke's motion to join the South Carolina School Board Insurance Trust as a party plaintiff in order to give Duke an opportunity to present all defenses it had against the real party in interest and to prevent a multiplicity of lawsuits if Lightner was found not to be the real party in interest.
- *Roman v. Sunny Slope Farms, Inc.*, 817 F.2d 1116 (4<sup>th</sup> Cir. 1987), cert. den'd. -- U.S. --, 108 S. Ct. 163, 98 L.Ed.2d 117 (1987). In this case, a claim was brought under the Federal Agricultural Worker's Protection Act. The Fourth Circuit Court of Appeals affirmed the ruling of the district court that the Federal Agricultural Worker's Protection Act was not intended to preempt the workers' compensation laws of the State of South Carolina and ruled that the exclusive remedy available for the alleged occupational disease for the worker in question was a claim under the South Carolina Workers' Compensation Act.
- *Gentry v. Milliken*, 307 S.C. 235, 414 S.E.2d 180 (S.C.App. 1992). In this case, the South Carolina Court of Appeals ruled that an employee of a contractor employed in a mill is a statutory employee of an owner if the work performed by the employee is part of the general trade business or occupation of the owner. The installation of an assembly line was determined to be part of the general trade and business of Magnolia Finishing Company.
- *Camp v. Spartan Mills*, 302 S.C. 348, 396 S.E.2d 121 (S.C.App. 1990). In this

case, the claimant slipped on snow and ice on a city street which separated the mill from the employee parking lot. The Court of Appeals held that the act of leaving the employer's premises is in the course of one's employment if the employee leaves the premises as contemplated at the close of the work day. However, the court determined that reasonable minds could conclude that the circumstances for the delay of four hours exceeded a reasonable margin of time for leaving the workplace, even with the inclement weather, and affirmed the finding of the Commission that worker's compensation benefits should be denied.

- *Koon v. Spartan Mills*, 286 S.C. 190, 332 S.E.2d 544 (1985). The South Carolina Industrial Commission disallowed benefits to the claimant on the ground that he had received a diagnosis of occupational asthma. The court determined that the record contained evidence which allowed reasonable minds to reach the Commission's conclusion that the claimant was disabled by cotton dust working at a previous occupation, but not from working in any occupation and accordingly affirmed the denial of the benefits.

### FACTUAL BACKGROUND

The above-referenced matter originated out of an effort by Defendant, Capital Investment Funding, LLC and Arthur M. Field to wind up the investment corporation and close the business of Capital Investment Funding, LLC. The matter was certified as a class action in 2008. The named Plaintiffs and similarly situated investors had invested a total of Thirty Eight Million Dollars in Capital Investment Funding, LLC., hereinafter referred to as "CIF".

In 2008, the case was transferred from Horry County to Greenville County and the Honorable John C. Few, who was Chief Administrative Judge for civil matters in the Thirteenth Judicial Circuit, issued a series of orders in Greenville County and certified a class of all of the noteholders. Judge Few also appointed the undersigned, Stanley T. Case, as Co-Class Counsel with Attorney Gene Connell of Horry County in this matter. The order appointing the undersigned as co-counsel by Judge Few was entered in April of 2008, and provided that a mediation should be held pursuant to the court's order certifying the class.

The mediation was held in Greenville County, South Carolina. The mediated global settlement, which established a receivership, was executed by the parties involved following a



mediation conducted by the Honorable H. Samuel Stilwell, retired Judge of the South Carolina Court of Appeals. The order approving settlement was signed by the Honorable Edward W. Miller in August of 2009. The order appointed Jerry Saad, CPA, of Greenville, S.C, as receiver in the case to collect any assets and safeguard the property of Capital Investment Funding, LLC.

Jerry Saad has been actively involved as the Receiver for CIF since 2009, and has filed and been involved in extensive litigation to discover assets of the class. He and class counsel and other attorneys retained by the receiver also attended the guilty pleas of Arthur M. Field and Attorney Scott Fredrick Pfeiffer for securities violations. Receiver Saad has been involved in selling and locating assets in Florida, New Jersey, Oregon, South Carolina and Washington State. Receiver Saad has also hired counsel and initiated lawsuits in New Jersey and South Carolina and Florida seeking to obtain assets for the class. Jerry Saad's numerous appearances before the courts over a period of over ten years are a matter of record and he has continued to provide reports to South Carolina Circuit Judge Edward W. Miller in this case.

On December 18, 2014, the Honorable Edward W. Miller issued an order approving a disbursement of a net distribution to class members in the amount of One Million Dollars. The funds were made available at that time due to efforts by the receiver and counsel to obtain, through litigation, the sale and closing of a warehouse in Anderson County owned by Capital Investment Funding and some of its various entities.

Prior to and since December 18, 2014, the receiver and class counsel and counsel retained by the receiver have been involved in extraordinary efforts to obtain additional assets for the receivership, have been involved in litigation in the United States District Court for South Carolina in a RICO action handled by the Honorable Bruce Howe Hendricks, have been involved in extensive litigation in matters decided by the Honorable Edward W. Miller in the

Court of Common Pleas in Greenville County, and have been involved in numerous hearings before the Honorable J. Cordell Maddox, Jr., Circuit Court Judge, in a State Grand Jury of South Carolina case entitled *The State of South Carolina v. Arthur M. Field*.

In November of 2017, The Honorable J. Cordell Maddox issued an Order which Denied the Defendant Field's motion to modify or re-consider restitution, but allowed certain modifications to the restitution in light of the matter under consideration before Judge Miller (Greenville County Court of Common Pleas Case no. 2008-CP-23-3665 which is the Receivership action currently being handled by the Honorable Edward W. Miller).

On December 1, 2017, Judge Miller issued an order which granted a motion by the class plaintiffs to approve the class settlement and ratify the global settlement agreement (GSA) by the class ("Motion to Approve GSA" dated March 8, 2017). In the Order dated December 1, 2017, the Honorable Edward W. Miller made the following order:

**Accordingly, this Court hereby approves the GSA as amended by the addendum, and orders that all parties to the GSA have been and shall continue to be duty bound to fulfill obligations set forth therein.**

The Mediated Global Settlement Agreement executed in March of 2017, hereinafter GSA, listed the following actions in which the receiver and the undersigned class counsel and other counsel retained by the receiver have been involved:

- A. ***Harold Brooks v. Arthur Field***, C.A. No. 6:14-cv-00267-BHH-JDA (D.S.C. Greenville Div.), Federal Court Action, South Carolina;
- B. ***Capital Investment Funding, LLC v. Arthur Field, et al.***, C.A. No. 15-CP23-01263 (13<sup>th</sup> Judicial Circuit, Court of Common Pleas, Greenville County)
- C. ***Capital Investment Funding, LLC v. Calvary Asset Management, LLC, et al.*** C.A. No.: BER-L-3790-12 (Superior Ct. New Jersey, Bergen County, N.J.)
- D. ***William F. Tomz and Francis W. Tomz, Individually and as Class Representatives vs. Capital Investment Funding, LLC and Arthur M. Field***, C.A. No. 2008-CP-23-3665 (Court of Common Pleas, 13<sup>th</sup> Judicial Circuit,

Greenville County)

- E. ***Capital Investment Funding v. Lancaster Resources, et al.***,  
Docket No. 2:2008-CV-04714, Federal Court Action, New Jersey

Prior to and following the Order of Judge Miller on December 1, 2017, the undersigned class counsel and other class counsel and counsel retained by the receiver continued to work diligently to require the Defendant, Arthur M. Field, and his family members and associates to comply with the orders of Judge Miller and Judge Maddox and those efforts continue. Certain of the attorneys retained by Arthur Field and his family members were members of the South Carolina Legislature and the proceedings were often delayed due to the attorneys "legislative immunity" related to court proceedings.

The Mediated Global Settlement Agreement (GSA) approved by Judge Miller on December 1, 2017, was achieved by the diligent efforts of the receiver and the undersigned class counsel and other attorneys retained by the receiver, including, but not limited to, attorney Rodney F. Pillsbury, of Greenville County, South Carolina, and attorney George Brandt, III, of Spartanburg County, and Gene Connell, of Horry County. These efforts included the filing and handling of a federal lawsuit styled *Brooks, et al. v. Field, et al.*, in the US District Court for the District of South Carolina (Greenville), which was designated as #6:14-CV-02267-BHH-JDA.

The Mediated Global Settlement (GSA) approved by the Honorable Edward W. Miller on December 1, 2017, directed the sale of certain properties that were obtained through the above-referenced federal action and other actions against Defendant Arthur Field and certain family members and associates. The above-referenced federal action included allegations under the 1964 Racketeering (RICO) Act. The initial Federal Complaint was filed on June 11, 2014, by lead counsel, Rodney F. Pillsbury. The federal action was complex and continued for an extended period of time. There was a Court mandated mediation in the federal action which

resulted in the ultimate achievement of the Mediated Global Settlement Agreement (GSA), which was approved by the Honorable Edward W. Miller in December of 2017.

The undersigned counsel and Attorney George Brandt, III, who was retained by the receiver, have also been involved in matters before the South Carolina Court of Appeals, which related to appeals filed by Arthur M. Field in 2018, concerning orders issued by Judge Miller. Both of the appeals were dismissed by the South Carolina Court of Appeals.

Arthur Field's first appeal in 2018 was designated Appellate Case no. 2018-00219, and was dismissed on April 5, 2018, in an order issued by the Honorable Paul E. Short, Jr. Arthur Field's second appeal in 2018, followed a criminal contempt order issued by the Honorable Edward W. Miller filed on July 2, 2018. In the second appeal filed by Arthur Field, the undersigned counsel, acting as class counsel and Attorney George Brandt, III, acting as attorney for Capital Investment Funding, LLC, had to perform substantial appellate legal work to respond to Arthur M. Field's Petitions for Writ of Supersedeas. On August 24, 2018, the South Carolina Court of Appeals entered an Order signed by the Honorable H. Bruce Williams which denied Arthur Field's Petition for a Supersedeas. On November 16, 2018, the South Carolina Court of Appeals dismissed the second appeal filed by Arthur Field in 2018, which was designated as Appellate Case no. 2018-001264, based upon withdrawal of the appeal by Arthur M. Field.

As indicated above, pursuant to Orders of the Honorable J Cordell Maddox , at the end of Arthur Field's probation. the unpaid balance of Defendant Field's restitution was converted to a civil judgment in favor of CIF against him. The unpaid balance of Field's restitution was in the amount of \$1,767,643.71. Thereafter, CIF sought to collect on its civil judgment against Field with regard to the one asset Field has publicly acknowledged owning, namely, his one-half interest in a mansion located in St. Augustine, Florida.

Due to Field's obligations under his sentence pursuant to his Guilty Plea, CIF believes that Field does not qualify for protection under Florida's liberal homestead exemption. In the case filed by the Receiver in Florida (originally filed in state court, but which Field removed to federal court), Field proffered the erroneous argument that the Florida judgment collection was invalid because the GSA operated as a complete release of all claims against him. When questions arose over the intent and effect of the GSA, CIF sought clarification from Judge Miller and filed its Motion for Declaratory Relief in this action. CIF did exactly what the GSA specifically requires, and provides, that Judge Miller will hear any disputes about the future performance or non-performance over obligations arising from the GSA. CIF filed its declaratory motion in this matter on December 31, 2019.

Because Defendant Field specifically consented to have Judge Miller retain jurisdiction over matters like those raised in CIF's Motion for Declaratory Relief, this matter is properly before the Honorable Edward W. Miller for the substantive determination of the merits of CIF's Motion for Declaratory Relief.

In his affidavit dated October 8, 2020, the Receiver Jerry Saad accurately states:

"Over the course of the past eleven years during the course of performing my duties as Receiver, under advice of counsel, I have filed multiple Rule To Show Cause actions and Motions To Compel to bring to the Court's attention numerous violations and acts of Mr. Field which impaired and delayed my efforts to liquidate CIF and violated numerous orders of the court. In these actions, all of which included substantial evidence of malfeasance by Mr. Field, and all of which resulted in substantial obstacles and delays to me as Receiver, Judge Miller did not impose any of the monetary sanctions I asked for, but instead ordered Mr. Field simply to comply, which I view as exemplars of judicial restraint by Judge Miller."

....

"I believe it critical to note that, having spent thousands of hours dealing with Mr. Field, and understanding his litigious nature, and having experienced his *modus operandi*, as Receiver, I required the GSA to include this provision:

*"The parties agree that the Judge Edward W. Miller, the presiding judge in the Tomz Case, shall have sole and exclusive jurisdiction regarding any dispute related to the enforcement, performance or non-performance of any future obligation contained herein (including any integral components hereof)."*

This provision was and is necessary to prevent Mr. Field from re-litigating the issues agreed to in the GSA. Judge Miller is the person most familiar with the complex litigation history and the repeated misrepresentations Defendant Field continues to assert in his desperate attempt to avoid accountability and responsibility for his actions. Mr. Field's most recent grievance and motion for recusal is just the most recent example in a long line of his continuing efforts to delay and obstruct justice in this matter."

....

"Based on my eleven years of dealing with him: I believe Judge Miller to be a highly intelligent, highly skilled jurist, who has exhibited incredible patience throughout an eleven year ordeal, a case that was originally expected to be settled in less than three years, but through the escapades of Mr. Field has extended into its 12<sup>th</sup> year, and is only now at its near end.

Moreover, a proper and thorough review of the full transcripts and voluminous filings of not just the Tomz Case, but the numerous ancillary cases that came into the receivership, would support my opinion that Judge Miller's actions over the course of eleven years have been prudent and proper, without emotional influence, but with reflection of facts and evidence duly presented."

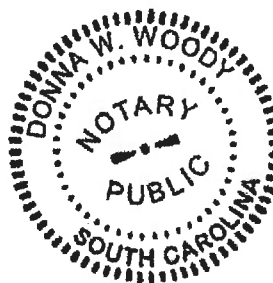
I wholeheartedly agree with the above Statements of the Receiver Jerry Saad in his Affidavit dated October 8, 2020.

FURTHER THE AFFIANT SAYETH NOT.

*Stanley T. Case*  
Stanley T. Case

SWORN AND SUBSCRIBED before me,  
this 12<sup>th</sup> day of Oct, 2020.

*Jane Wood*  
Notary Public for South Carolina  
My Commission Expires: 1-21-25



*William F. Tomz and Francis W. Tomz,  
Individually and as Class Representatives,*

vs.

*Capital Investment Funding, LLC, and  
Arthur M. Field*

C.A. NO. 2008-CP-23-3665

PLAINTIFF'S MEMORANDUM IN OPPOSITION  
TO DEFENDANT FIELD'S MOTION TO RECUSE

**EXHIBIT 14**

*Affidavit of Jerry Saad Receiver for Capital Investment Funding*

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GREENVILLE )  
 )  
William F. Tomz and Francis W. )  
Tomz, Individually and as Class )  
Representatives, )  
Plaintiff, )  
 )  
v. )  
 )  
Capital Investment Funding, )  
LLC and Arthur M. Field )  
 )  
Defendants. )  
 )

IN THE COURT OF COMMON PLEAS  
CIVIL ACTION NO. 2008-CP-23- 3665

**AFFIDAVIT OF JERRY T. SAAD  
RECEIVER FOR CAPITAL  
INVESTMENT FUNDING, LLC**

I, Jerry Saad, being first duly sworn, say:

1. I am 65 years old. I was born and raised in Greenville South Carolina, and have been a permanent resident of Greenville South Carolina my whole life.
2. I am presently, and have been since 1979, a Certified Public Accountant, licensed in the State of South Carolina. My company, of which I am the 100% owner, serves over 1,000 individual and small business clients, and employs 22 persons, including 6 other CPAs. Over my career of more than 40 years, I have worked with numerous complex and troubled businesses and a multitude of civil litigation actions.
3. Over the course of my career, I have testified as an expert witness and as a fact witness in more than 30 legal proceedings, and have participated in numerous legal proceedings before Honorable Judges Henry Herlong, Henry Floyd, Joseph Anderson, Ross Anderson, Thurmond Bishop, Helen Burris, John Waites, John Few, John Breeden, Charles Simmons, Debora Faulkner, Gordon Cooper, and Casey Manning.
4. From 2006 until the successful conclusion of the case in 2008, I served as Liquidating Trustee in U.S. Bankruptcy Court in Spartanburg, South Carolina under the supervision of Honorable Judge John Waites. In 2005, I was appointed and served until the successful conclusion of the case in 2008 as Court Appointed Receiver in U.S. District Court in Spartanburg, South Carolina, under the Honorable Judge Henry Floyd.
5. On August 24, 2009, I was appointed Receiver of Capital Investment Funding, LLC ("CIF") by order of the Honorable Judge Edward W. Miller ("Judge Miller") in Tomz v. Capital Investment Funding, LLC, et al., Case No 2008-CP-23-5514 in the South Carolina Court of Common Pleas Thirteenth Judicial Circuit ("Tomz Case"). Judge Miller was assigned to the Tomz Case on or about 2009, after Judge John Few recused himself from the case, following Mr. Arthur Field's filing of a motion that Judge Few, who now serves as a justice on the South Carolina Supreme Court, recuse himself from the case because Mr. Field had a grievance against him.
6. I have served continuously as Receiver for CIF for more than eleven (11) years. During that course of time, I have reported my activities and findings as Receiver directly to the Court through Judge Miller, who has, in my opinion, based upon my considerable experience set forth above, always acted as a picture of judicial decorum, exhibiting poise and extreme restraint towards each of the various defendants in the Tomz Case, but most specifically Mr. Field.



7. Notably, in October 2013, after five years of proclaiming in numerous meetings and court proceedings of his absolute innocence, Mr. Field admitted in court and in writing to a multitude of his lies and deceptions, which were characterized in court by Judge Maddox as the definition of a ponzi scheme, and which was the root cause of the \$38 million loss to the noteholders of CIF.
8. In my opinion, throughout my eleven year tenure as Receiver, Judge Miller has consistently and always rendered his decisions in CIF matters based on and fully supported by the relevant law and amply credible evidence properly presented to him, giving care to weigh the interests of the 680 noteholders of CIF, who were the victims of Mr. Field's elaborate self-admitted \$38 million fraud.
9. Furthermore, in my opinion, Judge Miller's restraint and correctness is remarkable and extraordinarily admirable, when viewed in context with the plethora of actions Mr. Field has cunningly and persistently employed over the years; actions which I characterize, in my opinion, as devious, deceitful, dishonest, dastardly, manipulative, misleading, scheming, and underhanded for the purpose of obstructing and delaying proper judicial actions towards himself. In the course of eleven years, CIF has been involved in five other cases against Mr. Field. In each of those cases in front of other judges, Mr. Field has employed these same scurrilous tactics. **Various court records, including multiple affidavits from me, are replete with those actions, which include (but only as a very small example):**
- a. Filing three motions, including the one presently outstanding, seeking the judge to recuse himself from this Tomz Case;
  - b. Coordinating with his son to file grievance complaints against the attorneys representing CIF, all of which were summarily dismissed;
  - c. Aiding, influencing and or directing his son to file a grievance against me as Receiver, which was summarily dismissed;
  - d. Filing affidavits with the court replete with false statements, which if believed, would result in substantial personal and or financial benefit to Mr. Field;
  - e. Repeatedly making false statements under oath in Court;
  - f. Willfully and blatantly violating multiple terms of the Global Settlement Agreement;
  - g. Taking devious and affirmative steps to divert insurance proceeds from the Receiver to Mr. Field's own pocket;
  - h. Improperly handling, destroying and or disposing of volumes of documents and business records of CIF, then lying to the Court about such after the fact;
  - i. Drafting, preparing, and assisting in the execution and filing of various legal documents on behalf of co-defendants in various court proceedings, which, upon information and belief, as pointed out by the Honorable Perry Gravely, constituted a felony in South Carolina for his unauthorized practice of law;
  - j. Making false statements under oath that he was a resident of the State of Florida in 2012 and after, when facts clearly reflect his residency in the State of South Carolina began prior to 2000 and did not end until he moved to Florida in 2019, as he was under the jurisdiction of (i) South Carolina Department of Probation, Parole and Pardon Services from 2012 until his probation was concluded in October 2018, and (ii) the South Carolina Department of Corrections while incarcerated from July 2018 until February 2019.
10. Over the course of the past eleven years during the course of performing my duties as Receiver, under advice of counsel, I have filed multiple Rule To Show Cause actions and Motions To Compel to bring to the Court's attention numerous violations and acts of Mr. Field which impaired and delayed my efforts to liquidate CIF and violated numerous orders of the court. In these actions, all of which included substantial evidence of malfeasance by Mr. Field, and all of which resulted in substantial obstacles and delays to me as Receiver, Judge Miller did not impose any of the monetary sanctions I asked for, but instead ordered Mr. Field simply to comply, which I view as exemplars of judicial restraint by Judge Miller.

11. In 2018, as Receiver, I presented to the Court evidence including insurance records and testimony of an insurance official, which clearly contradicted two affidavits Mr. Field had previously submitted to the Court and Mr. Field's sworn testimony made to the Court in a previous hearing. Based on the substantial, clear and convincing evidence, most of which was produced by the unrelated third party insurance company, Judge Miller found Mr. Field to be in Direct Criminal Contempt of Court because he lied to the Court and his conduct was "calculated to obstruct, degrade, and undermine the administration of Justice." Notably, while Judge Miller could have imposed a *maximum sentence of 2 years of incarceration*, Judge Miller showed reasonable restraint and limited the sentence to six months.

12. I believe Mr. Field's recent actions in filing grievances against Judge Miller and to seek his recusal from the Tomz Case are a *direct response* to the civil action in US District Court in Florida, in which Mr. Field *mised* that court to believe that the terms of the Global Settlement Agreement ("GSA")<sup>1</sup>, which he signed in the Tomz Case in 2017, settled the civil "restitution" judgment against him<sup>2</sup>. Pursuant to Mr. Field's false claims, I filed a Motion in 2019 with Judge Miller seeking a Declaration that the GSA did not settle the future restitution judgment. My Motion also seeks recovery of monetary damages from Mr. Field that are allowed under the GSA for having to seek enforcement of the terms of the GSA. I view Mr. Field's actions as consistent with his prior actions and what I characterize as his *modus operandi*: to delay, defuse, obscure, and redirect attention away from his culpability, in efforts to avoid and delay justice.

13. The In the Motion he filed seeking Judge Miller to recuse himself from the Tomz Case, Mr. Field included the following comment:

*"Field has filed formal written complaints concerning the conduct of Judge Miller during litigation to the Judicial Merit Selection Commission, which is currently screening Judge Miller for his re-election candidacy to the bench"*

I believe this comment is easily interpreted as a threat to Judge Miller's reelection as a jurist, as the Motion is signed and filed by Mr. Field's counsel, Mr. Micah Caskey, who is a State House Representative serving as a member of the House Judiciary Committee. Surely, Mr. Caskey will recuse himself from the House vote. I expect Judge Miller will ignore the threat and rule on the Motion after due deliberation of the facts and the law.

14. I believe it critical to note that, having spent thousands of hours dealing with Mr. Field, and understanding his litigious nature, and having experienced his *modus operandi*, as Receiver, I required the GSA to include this provision:

*"The parties agree that the Judge Edward W. Miller, the presiding judge in the Tomz Case, shall have sole and exclusive jurisdiction regarding any dispute related to the enforcement, performance or non-performance of any future obligation contained herein (including any integral components hereof)."*

This provision was and is necessary to prevent Mr. Field from re-litigating the issues agreed to in the GSA. Judge Miller is the person most familiar with the complex litigation history and the repeated

<sup>1</sup> After years of protracted and ultra-complex litigation and months of intense negotiations, *consuming tens of thousands of hours of labor*, forty five (45) parties, including myself as Receiver, Mr. Field, and all other plaintiffs, defendants, and attorneys representing plaintiffs and defendants, (collectively, "Settling Parties"), consummated and executed the *Global Settlement Agreement* dated February 24, 2017 ("GSA") to settle *all claims* between the Settling Parties, including: (i) all *prior claims and appeals* under this action (C.A. No.: 2008-CP-23-3665, also referred to as the "Tomz Case"); (2) all claims under the other four civil lawsuits which were active at the time the GSA was executed; and (iii) any and all other claims arising from any action or lack thereof occurring *prior* to the execution of the GSA which could otherwise be asserted; (collectively, "Settled Matters"). Judge Miller approved the GSA at a hearing held on November 27, 2017, and issued its Order approving the GSA on December 1, 2017.

<sup>2</sup> Mr. Field was ordered in his criminal sentencing in 2012 to pay restitution in the amount of \$2,877,711.73. At the end of Mr. Field's 5 year probation period as of November 20, 2018, the amount of unpaid restitution was \$1,767,634.71. As mandated by South Carolina Code Section 17-25-328, the amount of unpaid restitution was converted to a civil judgment in favor of me as Receiver. That judgment was recorded as a foreign judgment in Florida in 2018, followed by collection proceedings filed in Florida in 2018, all while Mr. Field was incarcerated in South Carolina. In 2019, after being released from prison, Mr. Field proffered as a defense against the judgment his assertion that the 2017 GSA settled that judgment. However, on the contrary, the GSA clearly sets forth the claims that were settled, and this judgment was not one of them.

misrepresentations Defendant Field continues to assert in his desperate attempt to avoid accountability and responsibility for his actions. Mr. Field's most recent grievance and motion for recusal is just the most recent example in a long line of his continuing efforts to delay and obstruct justice in this matter.

In Summary

15. Based on my eleven years of dealing with Mr. Field: I believe he is among the most vile, unscrupulous, untruthful, manipulative, deceitful person that I have ever dealt with in either my personal or professional life; I believe Mr. Field to be a master of deception; I believe Mr. Field is the embodiment of a narcissist; I believe Mr. Field's taking of money from CIF noteholders under false and fraudulent pretenses meets Merriam-Webster's definition of "stealing", which is "to take the property of another wrongfully"; I believe Mr. Field is devoid of conscience and incapable of remorse; I believe Mr. Field has no intention of helping CIF noteholders recover any funds, despite his multiple declarations to the contrary - his actions have consistently contradicted his words by extraordinary efforts- before and after his admission of guilt - to obfuscate the facts and obstruct my efforts as Receiver to recover funds on behalf of the noteholders.

16. Based on my eleven years of dealing with him: I believe Judge Miller to be a highly intelligent, highly skilled jurist, who has exhibited incredible patience throughout an eleven year ordeal, a case that was originally expected to be settled in less than three years, but through the escapades of Mr. Field has extended into its 12<sup>th</sup> year, and is only now at its near end.

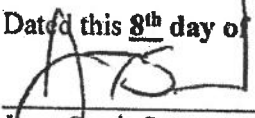
17. Moreover, a proper and thorough review of the full transcripts and voluminous filings of not just the Tomz Case, but the numerous ancillary cases<sup>3</sup> that came into the receivership, would support my opinion that Judge Miller's actions over the course of eleven years have been prudent and proper, without emotional influence, but with reflection of facts and evidence duly presented.

18. In my opinion, no other jurist would have acted with any more caution or deliberation given the same circumstances.

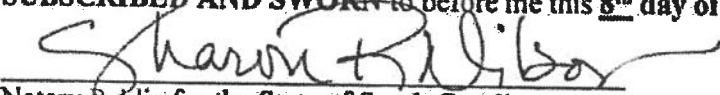
19. When listening to the cries of foul, consider the source and history thereof.

Further, affiant sayeth not.

Dated this 8<sup>th</sup> day of October, 2020.

  
Jerry Saad, Court Appointed Receiver for  
Capital Investment Funding, LLC

SUBSCRIBED AND SWORN to before me this 8<sup>th</sup> day of October 2020.

  
Notary Public for the State of South Carolina  
My commission expires on: 9/9/2021



Sharon R. Wilson  
NOTARY PUBLIC  
State of South Carolina  
My Commission Expires  
September 9, 2021

<sup>3</sup> (1) William F. Tomz and Francis W. Tomz, Individually and as Class Representatives vs. Capital Investment Funding, L.L.C. and Arthur M. Field, C.A. No. 2008-CP-23-3665 (Greenville County, SC); (2) Harold Brooks v. Arthur Field, C.A. No. 6:14-cv-02267-BHH-JDA (US District Court-Greenville SC Div.); (3) Capital Investment Funding, LLC v. Arthur Field, et al., C.A. No.: 15-CP-23-01263 (Greenville County, SC); (4) Capital Investment Funding v. Lancaster Resources, et al., Docket No. 2:2008-CV-04714 (Bergen County, NJ); (5) Capital Investment Funding, LLC v. Calvary Asset Management, LLC, et al., C.A. No.: BER-L-3790-12 (Bergen County, NJ); (6) Capital Investment Funding, LLC v LOP Capital, LLC et al., 6:11-cv-03321-MGL-KFM (US District Court-Greenville SC Div.); (7) LOP Capital, LLC v Cosimo, LLC, Capital Investment Funding, LLC et al., 2009-CP-42-6973 (Spartanburg County, SC); (8) SD Trust, LLC Debtor, Case No.: 10-03185-hb Chapter 11 (USBC District of South Carolina); (9) Oritani Bank v/k/a Oritani Savings Bank v Capital Investment Funding, LLC, Docket No. C-18-13 (Bergen County, NJ); (10) Capital Investment Funding, LLC v Trzom, LLC, 2012-CP-04-2103 (Anderson County, SC); (11) The National Bank of South Carolina v. He Will Provide, LLC et al., C.A. No.: 2010-CP-23-4785 (Greenville County, SC).

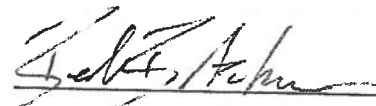
**BEATTIE B. ASHMORE, P.A.**

ATTORNEY AT LAW

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TELEPHONE (864) 467-1001

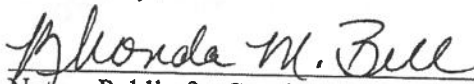
Beattie Ashmore: Beattie@BeattieAshmore.com  
Stephanie Gray, Associate: Stephanie@BeattieAshmore.com

Since 2000, I have served as a Court appointed Receiver for four different Federal judges in the District of South Carolina. I have served as the Receiver to the Honorable G. Ross Anderson, Jr.; Margaret B. Seymour; J. Michelle Childs; and currently Bruce H. Hendricks. To date, I have disbursed over 50 million dollars to approximately 8000 victims. I am now the Receiver in the USA v. Scott Kohn case which is a 300 million dollar Ponzi scheme that stretches across the nation. In each case, I have filed Ex Parte status reports Under Seal with the court pursuant to the directives found in the order appointing Receiver. It has long been held that a Receiver is an arm of the court and is subject only to the court's direction. The Order appointing a Receiver gives the Receiver significant powers to include the ability to file lawsuits, hire professionals, compel the production of documents and force the surrender of assets – all of which require some direction from the court. As a consequence, Receivers often discuss scheduling matters, procedural issues and the distribution of funds to the victims on an Ex Parte basis with the Court that appointed them.

  
\_\_\_\_\_  
Beattie B. Ashmore

Notary Public for the State of South Carolina

SWORN to before me this 23<sup>rd</sup> day  
of October, 2020.

  
\_\_\_\_\_  
Notary Public for South Carolina (LS)  
My Commission Expires May 19, 2024

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GREENVILLE )  
 )  
William Tomz and Francis W. Tomz, )  
Individually and as Class Representatives )  
 )  
Plaintiffs, )  
 )  
vs. )  
 )  
Capital Investment Funding, LLC )  
and Arthur M. Field )  
 )  
Defendants. )  
\_\_\_\_\_ )

IN THE COURT OF COMMON PLEAS  
THIRTEENTH JUDICIAL CIRCUIT  
  
CASE NUMBER 2008-CP-23-3665  
  
NOTICE OF MOTION AND  
MOTION TO RECUSE

TO: STANLEY T. CASE, ESQ., ATTORNEY FOR PLAINTIFFS, and GEORGE BRANDT, III, ESQ., ATTORNEY FOR JERRY SAAD:

PLEASE TAKE NOTICE that Defendant Arthur M. Field, through his undersigned attorney, will move before the Court, at such place and time as the Court may appoint, pursuant to the South Carolina Rules of Appellate Procedure and the Judicial Canons, as well as the Constitutions of the United States and of South Carolina, that this Court recuse itself from this matter. Movant and his counsel do not lightly make this motion. The Court should grant this motion as set forth below.

**OBJECTION TO PERSONAL JURISDICTION**

Pursuant to Rule 12, SCRCP, Defendant Arthur M. Field objects to any assertion of personal jurisdiction in this matter. Field further objects to the insufficiency of process and the insufficiency of service of process.

Field is a resident of Florida and reserves all rights. See *State v. Dudley*, 354 S.C. 514, 542, 581 S.E.2d 171, 186 (Ct.App. 2003)("A defendant may waive any complaints he may have regarding personal jurisdiction by failing to object to the lack of personal jurisdiction and by

appearing to defend his case.") Field, through his undersigned attorney, files this motion subject to these objections.

### LAW / STANDARD

South Carolina's Code of Judicial Conduct states, "A judge shall avoid impropriety and the appearance of impropriety in all of the judge's activities." Section 2(A), Code of Judicial Conduct (CJC), Rule 501, SCACR. "The test for appearance of impropriety is whether the conduct would create in reasonable minds a perception that the judge's ability to carry out judicial responsibilities with integrity, impartiality and competence is impaired." *Commentary* to Section 2(A), CJC, Rule 501, SCACR. "A judge shall disqualify himself or herself in a proceeding in which the judge's impartiality might reasonably be questioned. . . ." Section 3(E)(1), CJC, Rule 501, SCACR. "Under this rule, a judge is disqualified whenever the judge's impartiality might reasonably be questioned, regardless whether any of the specific rules in Section 3E(1) apply." *Commentary* to Section 3(E)(1), CJC, Rule 501, SCACR.

"Under Canon 3(E)(1)(a), a judge should disqualify himself in a proceeding in which his impartiality might reasonably be questioned, including but not limited to, instances where he has a personal bias or prejudice against a party." *Patel v. Patel*, 359 S.C. 515, 599 S.E.2d 114(2004).

The due process clauses of the United States and South Carolina constitutions require that Judge Miller disqualify himself from participation in this matter. As stated by the United States Supreme Court, "[u]nder our precedents there are objective standards that require recusal when "the probability of actual bias on the part of the judge or decisionmaker is too high to be constitutionally tolerable." *Caperton v. A. T. Massey Coal Co.*, 566 U.S. 868 (2009) (citing *Withrow v. Larkin*, 421 U.S. 35, 47, 95 S. Ct. 1456, 43 L. Ed. 2d 712 (1975)). In *Caperton*, the Supreme Court held that the Fourteenth Amendment was violated when one of the majority justices of the West Virginia Supreme Court refused to recuse himself due to receiving large

campaign contributions from, and through the efforts of, the corporation's principal. The Supreme Court held that actual bias and prejudice need not be shown in order to establish a constitutional deprivation of due process. Objective standards may require recusal whether or not actual bias on the part of a judge exists or can be proved. The failure to consider objective standards requiring recusal is not consistent with the imperatives of due process, the *Caperton* Court held.

The *Caperton* Court held that the true constitutional test was not actual prejudice or actual bias, but the question is whether, "under a realistic appraisal of psychological tendencies and human weakness," the interest "poses such a risk of actual bias or prejudgment that the practice must be forbidden if the guarantee of due process is to be adequately implemented." *Id.*, citing *Withrow*, 421 U.S., at 47, 95 S. Ct. 1456, 43 L. Ed. 2d 712.

In the recent case of *Ledford v. Dep't of Pub. Safety*, 428 S.C. 387, 835 S.E.2d 509 (S.C. 2019), the South Carolina Supreme Court addressed the issue of recusal in a *per curiam* opinion. In *Ledford*, a Worker's Compensation Commission commissioner subject to the Code of Judicial Conduct, the Supreme Court held that the commissioner's comments toward Ledford required recusal. In that case, the commissioner said "while [Ledford] may be a former member of the South Carolina Highway Patrol ACE Team, he was not a member of the "Truth Team[.]" *Id.* The commissioner also said in proceedings that she "did not believe anything [Ledford] said except his name and age!..." required recusal. *Id.*

### **FACTS RELATING TO THIS MOTION**

This motion is made on the basis of (A) comments made by Judge Edward Miller to or about Arthur Field during hearings or other proceedings that occurred during the long course of litigation in this case and (B) the inherent, inescapable conflict of interest raised where Defendant Arthur Field has filed formal written complaints concerning the conduct of Judge Miller during litigation to the Judicial Merit Selection Commission, which is currently screening Judge Miller

for his re-election candidacy to the bench.

**A. Biased, Disparaging, or Unfair Comments made by Judge Edward Miller to or  
about Arthur Field**

**1. Special Meeting of Capital Investment Funding, December 14, 2011.**

On December 14, 2011, Judge Miller presided over a special meeting of plaintiff class members, including prosecutors from the Attorney General's office, to update the class on the progress of the class action litigation. Prior to any indictment ever being presented to a Grand Jury, in response to a question about the existence of an investigation, Judge Miller said, "we sat in this courtroom when we settled this matter in '09 and that was how we were able to get an agreement was that Mr. Field refused to give up his Fifth Amendment Rights. If he's innocent, I don't know why he would need those . . . ." Ex. A, p. 67.

**2. Rule to Show Cause Hearing on September 17, 2013.**

On September 12, 2013, Field's attorney, Bradford Martin, Esq., filed for a continuance in the case on due process grounds because he was new to complex, years-old case; Martin then brought that motion to the attention of Judge Miller during the September 17, 2013 hearing. Ex. B, p. 3. Judge Miller denied the motion and castigated Attorney Martin, "[s]o let me get this straight, your client stole forty million dollars and now he's the victim?" Ex. B, p.7. Asked by Attorney Martin to clarify, Judge Miller reiterated, "I said your client stole forty million dollars and now he claims to be the victim." Ex. B, p. 7. Attorney Martin again attempted to clarify what Judge Miller was saying in the Rule to Show Cause hearing by then asking, "Your Honor, are you claiming that you have knowledge that my client stole forty million dollars?" Judge Miller replied, "Mr. Martin, you're not going to ask me questions in this proceeding."

Field has only ever pled guilty to charges of securities fraud based on omissions from



investment fund prospectuses and conspiracy thereto; Field has never been charged with embezzlement, larceny, or other financial crime.

In another exchange during the direct examination of Field by Attorney Martin, Field was asked if he had ever filed a grievance against the receiver or counsel. Ex. B, p. 167. Judge Miller then seized the opportunity to begin *sua sponte* questioning of Field, asking “How about the judge?” *Id.* Field demurred, confirming with Judge Miller “You want me to answer it on the record?” *Id.* Field then acknowledged having filed grievances against Judge Few and Judge Miller. *Id.* Field testified that he had withdrawn both, but Judge Miller then curtly challenged that statement: “[w]ell, you did not withdraw one against me. It was summarily dismissed.” *Id.* Attorney Martin’s questions to Field to clarify the *sua sponte* questioning by Judge Miller were then abruptly halted by the Court without any objection from opposing counsel. Ex. B, p. 168.

### 3. Rule to Show Cause Hearing on September 29, 2016.

On September 29, 2016, Judge Miller presided over a Rule to Show Cause hearing without Arthur Field or his attorneys present; Field had been admitted for inpatient psychiatric treatment at a local medical facility. During the hearing evidence adverse to Field was introduced and admitted into the record without any ability for Field to object to or otherwise confront such evidence. At one point in the hearing, Judge Miller allowed unsworn, unnamed speakers from the gallery to address the Court. One speaker said “[Field] is very smart, manipulative and narcissistic. He’s an evil person and a very good chameleon. . . [Field] doesn’t know the difference between right and wrong.” Ex. C, pp. 99-100. Judge Miller immediately replied, “Well, I agree with everything you said except the last part about knowing the difference between right and wrong. I think [Field] knows. [Field] just doesn’t care.” Ex. C, pp. 99-100. The exchange continued with the unnamed speaker saying, “and I think the family is equally manipulative as he is,” to which Judge Miller then replied, “All right. I agree with you completely.” Judge Miller added, “I’ve

been telling Mr. Saad all these years as we went through this, [Field] will be held accountable in this life or the next.” Ex. C, p.100.

**B. Arthur Field has Filed Complaints Regarding Judge Miller That Remain Active**

The Global Settlement Agreement was approved by this Court on December 1, 2017, dismissing with prejudice all matters against Field. The clear terms of that agreement notwithstanding, Judge Miller entertained a Rule to Show Cause hearing on July 2, 2018, wherein Judge Miller held Field in Criminal Contempt and sentenced him to six (6) months in prison.

Having endured ten years of litigation before Judge Miller that included the above comments, Field exercised his constitutional rights to speak to authorities about his experiences in appearing before Judge Miller. In June 2020, Field filed a grievance against Judge Edward Miller with the Disciplinary Counsel for review and action by the South Carolina Commission on Judicial Conduct. Additionally, because Judge Miller is currently seeking re-election to his seat on the circuit court, Field filed a complaint with the South Carolina Judicial Merit Selection Commission, the body charged with screening candidates for all judicial posts. At present, Judge Miller’s candidacy for re-election is active and the screening process is on-going.

**ARGUMENT**

The governing authority on recusal could not be more clear, nor could the factual circumstances more clearly fit within the ambit of that governing authority. “A judge shall disqualify himself or herself in a proceeding in which the judge's impartiality might reasonably be questioned. . . .” Section 3(E)(1), CJC, Rule 501, SCACR. Taken individually, any of the comments made by Judge Miller regarding Arthur Field each reveal – *at least* – a reasonable question as to whether Judge Miller could be impartial; taken together, it strains credulity to believe that a true neutral party could conclude that no reasonable question of impartiality exists.

The suggestion that a citizen invoking his or her Fifth Amendment right somehow implies guilt offends even the most novice understanding of the American justice system. Judge Miller, an experienced jurist with a long career in the law, knows that the ability to exercise constitutional rights is fundamental. Encouraging any conclusion that the exercise of those rights would only occur if there was, in fact, guilt is *prima facie* evidence of bias or partiality. The same is to be said about comments underscoring characterization of Field as “manipulative and narcissistic” and “evil”. As applied to a litigant by the judge, it takes Olympic-level mental gymnastics to begin to understand the use of those terms as anything other than indicative of conclusions reached about the litigant by the judge. A lay person could be forgiven for referring to the acts which Field was indicted for as ‘stealing’, but in the context of this matter, where Attorney Bradford Martin was explaining the need for a continuance on due process grounds, Judge Miller’s comments can only be understood as manifest personal animus.

As this Court knows, the judicial selection process in South Carolina is rigorous and thorough. The implications of the screening process are necessarily determinative of the candidate’s career options. By definition, a successful screening is something that the judicial candidate wants -- even the candidate that only offers for a judicial service out of some altruistic *noblesse oblige*. A judicial candidate that is actively engaged in the screening process for re-election must necessarily consider the record submitted to the Judicial Merit Selection Commission. Where, then, a citizen has submitted information to the screening commission that is adverse to the candidate’s definitional interest, no reasonable person could *not* be left with a question as to the candidate’s impartiality toward the proponent of the information. This case does not even require the neutral arbiter to apply such common sense – no imagination, at all, is required; the September 17, 2013, hearing is explicit: Judge Miller interjected himself into the testimony of Field to raise his preoccupation with a previous grievance filing by Field against the judge.

The combined effect of Judge Miller's several comments about Field and the perception of the implications of Field's submissions to the Judicial Merit Selection Commission require that recusal be granted in this case. The Code of Judicial Conduct requires nothing less.

**RELIEF**

THEREFORE, based on the foregoing, the Defendant asks that this Court grant this motion for recusal.

IN WITNESS WHEREOF, the undersigned Micajah P. Caskey, IV, on behalf of Arthur Field, moves the Court recuse himself from this matter.

Respectfully submitted,

/s Micajah P. Caskey, IV  
Micajah P. "Micah" Caskey, IV, Esq.  
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**Attorney for Arthur Field**

Dated: September 26, 2020  
West Columbia, South Carolina

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GREENVILLE )  
 )  
William F. Tomz and Francis W. Tomz, )  
Individually and as Class Representatives, )  
 )  
Plaintiffs, )  
 )  
vs. )  
 )  
Capital Investment Funding, LLC, and )  
Arthur M. Field, )  
 )  
Defendants. )  
 )  
\_\_\_\_\_ )

IN THE COURT OF COMMON PLEAS

CIVIL ACTION NO. 2008-CP-23-3665

**PLAINTIFFS' AMENDED  
MEMORANDUM IN  
OPPOSITION TO DEFENDANT  
FIELD'S MOTION TO RECUSE**

**Introduction**

Plaintiffs in this action and its court-appointed receiver (collectively "Plaintiffs") file this amended memorandum in opposition to Defendant Field's Motion to Recuse Judge Edward Miller (filed September 28, 2020) from hearing Plaintiffs' pending Motion for Declaratory Relief, which the Receiver filed on December 31, 2019. Defendant Field argues Judge Miller should be recused from all further proceedings in this matter because in June 2020, Field had filed a judicial grievance against Judge Miller. Field's motion cites transcripts from hearings nine (9), seven (7) and three (3) years ago purportedly as evidence of judicial bias. As Field is prone to do, he omits the key fact that following all of those hearings, and with full knowledge of the same, Defendant Field specifically consented to have Judge Miller preside over all issues regarding enforcement of the Global Settlement Agreement. Additionally, the timing of when Field filed his purported judicial grievance is further evidence of the frivolous nature of his grievance employed as his most recent effort to thwart the administration of justice.

### Contextual Background

#### 1. Field's Use of Similar Tactics When He Practiced Law in Connecticut

The alleged grievance against Judge Miller in this matter is just the most recent example of Field's abuse of frivolous tactics employed in a desperate attempt to obtain an advantage in litigation. For example, when Field was licensed to practice law in Connecticut, a fellow lawyer sought Field's malpractice insurance information. When Field refused to provide it, the opposing lawyer filed a grievance. Field then sued the opposing attorney. In a case of first impression, identifying Field's complaint as a SLAPP suit ("Strategic Lawsuits Against Public Participation"), the Connecticut Court of Appeals readily upheld its dismissal. Field v. Kearns, 682 A.2d 148 at 153 (Conn. App., 1996). [Exhibit 1, Field v. Kearns, 682 A.2d 148, 43 Conn.App. 265 (Conn. App., 1996)]

Defendant Field's long-time *modus operandi* has always included attempts to disqualify opposing counsel or judges whom he perceives as unfavorable by filing suits against opposing counsel personally or filing grievances against judges. By suing the opposing attorneys in their personal capacity, Field hopes to have them disqualified from the case. In all of these instances, the suits and grievances are found baseless – as will likely be in the case at bar.

Field's history of employing these frivolous tactics is lengthy. When practicing law in Connecticut, Field was involved in a real estate scam known as Swiss Conservative Group ("SWG"). Essentially, SWG advertised to refinance residential home loans for owners in financial dire straits. The homeowners thought they were refinancing their debt, but later discovered they had actually sold their homes and remained there only as tenants – losing all of their equity. Field closed many of these loans in Connecticut.

The New York Attorney General's office brought a civil action against the principals behind SWG. Eventually, the NYAG sought to include Field in the suit for his role in closing these loans. [Exhibit 2, Proposed Amended Petition by New York Attorney General]. The

Assistant Attorney General (Lila Kirton) notified the Connecticut Bar Association about Defendant Field's activities.

Field then sued Lila Kirton in her personal capacity. [Exhibit 3, Field's Complaint and Proposed Amended Complaint].<sup>1</sup> Within that litigation, Field then moved add the lawyers who were representing Ms. Kirton in that case as party defendants. [Exhibit 5, Field's Request for Joinder of Parties]. One of those attorneys, the Honorable Andrew J. McDonald, is now a sitting associate justice on the Connecticut Supreme Court. [See, [https://www.jud.ct.gov/external/supapp/justice\\_mcdonald.html](https://www.jud.ct.gov/external/supapp/justice_mcdonald.html)] In their opposition, Kirton's attorneys pointed out that Field's attempt to join her attorneys as parties, if successful, would result in their disqualification from continuing to represent Ms. Kirton in that case. [Exhibit 6, Kirton's Memorandum in Support of Plaintiff's Request for Joinder of Parties, p. 18] Field's motion was quickly denied. [Exhibit 7, Order denying Field's Motion for Joinder]

Ultimately, the Court dismissed Field's frivolous lawsuit. In his lengthy decision granting summary judgment for Ms. Kirton, Judge Cabranes (now an esteemed justice on the Second Circuit Court of Appeals) went out of his way to document that the character (or lack thereof) of Field's co-defendant/client, Israel Reveh: "I [Judge Cabranes] observed that by his conduct and

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<sup>1</sup> Among the many frivolous claims, Field claimed that Ms. Kirton's actions violated his constitutional rights on the alleged basis that Ms. Kirton was "non-Caucasian" and her actions against him were because he was Jewish:

KIRTON, who is a non-Caucasian, performed all of the acts and abused her official quasi-governmental position, as aforesaid, to intentionally injure the Plaintiff Israel Raveh, a foreign born Jew, and Plaintiff Field, a Jew, and other people, all of whom are Jewish, in direct violation of the United States Constitution .... Such acts were done to discriminate against the Plaintiffs because of their religion and/or national origin.

[Exhibit 4, Plaintiff's Second Amended Complaint, p. 11, ¶69.]

demeanor at various hearings ... Raveh has shown himself to be one of the most obviously deceptive and untrustworthy litigations [*sic*] I have encountered in fourteen years as a federal trial judge.” [Exhibit 8, Field v. Kirton, 856 F.Supp. 88 at 91, n.1 (D.Conn. 1994)]

His opinion of Field was not much better. Judge Cabranes noted that at one point in the original civil action against Field and Raveh, Field “disavowed any connection with Israel Raveh. As noted above, Field ultimately represented Raveh in that case, and to reiterate, Field and Raveh commenced this action together.” *Id.* at n.4 (emphasis added). Judge Cabranes also noted Magistrate Judge Smith’s finding Field’s testimony to be unpersuasive [*Id.* at n.1] and how Field “has submitted no evidence whatsoever to substantiate his claim.” [*Id.* 856 F.Supp. at 92, n.11]

In the underlying foreclosure litigation arising from the loans Field had closed, Field was not a party to the proceedings. But in a foreshadowing of things to come in South Carolina, Field prepared motions and submittals for some of the *pro se* defendants employing his same frivolous tactics. For example, one foreclosure case was First Trust National Assoc. as Trustee v. Hitt, et al. (Superior Ct. Conn., Middlesex Judicial Div. CV-93-0068443). In that case, the bank was foreclosing on the loan. Defendant Hitt, who was *pro se*, was an investor who had purchased a home in a transaction Field closed, when the unwary homeowners thought they were refinancing.

In that litigation, Field, not a party, prepared a motion that Mr. Hitt filed to disqualify the attorneys representing the Plaintiff-bank. [Exhibit 9, Transcript of hearing, September 20, 1993, p.24] As evident from the hearing transcript, Mr. Hitt had no substantive understanding of the motion he had filed. [*Id.*] Also evident is the fact that the motion itself had no legal basis. [*Id.* at pp. 24-25] The motion was summarily denied. The key takeaway is serves as one of a multitude



of examples where Field files frivolous motions to disqualify counsel in an attempt to obtain a tactical advantage.

When the New York Assistant Attorney General notified the Connecticut Bar Association about Defendant Field's conduct, ultimately the Connecticut Bar found probable cause to conduct a hearing regarding Field's ethical misconduct. Not surprisingly, the first maneuver Field, representing himself *pro se*, attempted was moving to disqualify the hearing panel. [Exhibit 19, Hearing Transcript, June 2, 1993, pp. 9-10] Field alleged that one of the panel members was also a panel member in another grievance pending before the Connecticut Bar. [*Id.*] Field's motion was summarily denied. [*Id.*]

Shortly after those grievance hearings, Field left the state of Connecticut and moved to South Carolina, where he was never licensed to practice law. In the flood of litigation following Capital Investment Funding's collapse, Field represented himself and unlawfully gave legal assistance to other co-defendants. [*See, e.g.,* Exhibit 10, Order of Judge Perry Gravely, p. 4]

## 2. Field Continues the Use of Frivolous Tactics in the South Carolina CIF Litigation

In South Carolina, Field continued filing frivolous motions to disqualify against opposing counsel and to sue them individually in desperate attempts to avoid justice. When suit was filed by CIF against Field, his wife and others who had received money from CIF, Capital Investment Funding, LLC v. Field, Pfeiffer, et al., D.S.C. C.A.: 6-12-cv-03401, the first thing Field did was attempt to file a third-party complaint against the attorneys representing CIF. [Exhibit 11, Third-party Claim] The Court summarily dismissed Field's frivolous pleading. [Exhibit 12, Order Dismissing Third-party Complaint, filed May 7, 2013]

When the noteholders brought a subsequent RICO case against Field based upon his criminal conviction for securities fraud (Harold Brooks, et al., v. Arthur Field, D. S.C., C.A. 6:14-

cv-02267-BHH-JDA), once again, Field filed motions to disqualify Plaintiffs' counsel. [Exhibit 13, Field's Motion to Disqualify Counsel] This motion was also summarily denied. [Text Order, January 29, 2016, ECF Doc. 234].

Just within the case at bar, Judge Edward Miller was assigned to this case was because Field filed a judicial grievance against the original presiding circuit court judge, Honorable John Few. Judge Miller presided over innumerable hearings most of which were Rules to Show Cause brought by the Receiver against Arthur Field for his repeated refusal to obey court orders and his repeated lies to the Receiver and to the Court. [See, Exhibit 14, Affidavit of Jerry Saad (which attached the numerous Rules to Show Cause he was forced to bring against Field during his receivership)].

As evident from the attachments to Saad's affidavit, each motion meticulously documents what Field was required to do, what he refused to do and what lies he proffered to exonerate himself. [*Id.* See Attachments 1-3] Plaintiffs incorporate all affidavits and exhibits fully herein as which collectively demonstrate Field's continued connivance and rebuke of the orders from Judge Miller.

Yet, despite Field's own egregious behavior, Judge Miller did not always sanction Field, even when such was amply warranted by the facts and the law. At the end of the day, Field's incarceration for criminal contempt of court was the direct and sole result of Field's documented lying to the Court and his attempts to shield money from the court-appointed receiver. Field never substantively appealed his finding of criminal contempt and his resulting sentence. As such, the findings of Judge Miller about Field's misconduct are the law of the case. [See also, Exhibit 15, Affidavit of Stanley Case, Esquire]

The reason why Field filed his grievance is not due to any alleged misconduct by Judge Miller; rather, it was a last-minute attempt to avoid the imposition of additional sanctions Field knew likely would be imposed based upon misrepresentations he has made to the courts in Florida.

[See, Receiver's Motion for Declaratory Relief, filed December 31, 2019.] Field has made numerous misrepresentations about the Global Settlement Agreement to Court's in Florida. This necessitated the filing of the Receiver's motion for declaratory relief. Knowing he was likely facing an adverse ruling, because – as the motion makes clear – the collection action pending in Florida is clearly authorized under the GSA, Field once again seeks to thwart justice with his frivolous grievances.

The timing of Field's judicial grievance filing reflects **highly** on its frivolous nature. If Field truly felt aggrieved by Judge Miller's rulings, one would expect he would have filed his grievance immediately after his criminal sentence or immediately following his release from jail on or about February 4, 2019. Yet, Field did and said nothing.

When the Florida collection was initiated in January 2019, and during its entire pendency, Field never felt filing a grievance against Judge Miller was necessary or warranted (at least enough such that Field filed anything). Even after the receiver file his motion for declaratory relief, Field did not complain about Judge Miller's conduct. Field originally sought to remove the motion to federal court – claiming now he was a Florida resident. When federal court dismissed Field's attempt to remove the matter [See, Exhibit 16, Order of Remand, filed February 20, 2020], and knowing the matter was going to be sent back to Judge Miller for a hearing, Defendant Field did not complain about any of Judge Miller's prior conduct or rulings.

In fact, the matter was originally scheduled to be heard on February 27, 2020. Field had still not filed any grievance against Judge Miller. Instead, his counsel, a State Representative, successfully had the hearing continued by invoking his protection as a legislator. [Exhibit 17, Email from Non-Jury Clerk of Court, dated February 24, 2020]

It was not until four (4) months later when the legislative protection was coming to an end (and the motion would soon be rescheduled for a hearing) that Field filed his grievance. Now,

conveniently, Field's grievance is employed as the basis to further delay justice in this case by seeking Judge Miller's recusal.

3. Why Judge Miller Should NOT be Recused from This Matter.

After years of litigation in multiple forums, Plaintiffs reached a global settlement of all issues with all parties. The Global Settlement Agreement ("GSA")[Exhibit 18, Global Settlement Agreement] was the result of hundreds, if not thousands, of man-hours and multiple hearings. Knowing the extraordinary litigious nature of Defendant Field, Plaintiffs insisted the agreement stipulate that the judge who was most familiar with the litigation (Judge Edward Miller) retained sole jurisdiction over dispute which arose from the enforcement or interpretation of the GSA:

ii. Upon approval by the Court, this settlement will be full and final as to all parties identified herein, with the sole exception if it is later demonstrated Arthur Field has made a material misrepresentation to the Court regarding his verified financial disclosure set forth in sub-part i (above). This Agreement contains terms and conditions of certain events to happen in the future. The parties agree that the Judge Edward W. Miller, the presiding judge in the

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| Initials 1 <u>AF</u> | 2 <u>AF</u> | 3 <u>AF</u> | 4 <u>AF</u> | 5 <u>AF</u> | 6 <u>AF</u> | 7 <u>AF</u> | 8 <u>AF</u> | 9 <u>AF</u> | 10 <u>AF</u> | 11 <u>AF</u> | 12 <u>AF</u> | 13 <u>AF</u> | 14 <u>AF</u> | 15 <u>AF</u> | 16 <u>AF</u> | 17 <u>AF</u> | 18 <u>AF</u> | 19 <u>AF</u> | 20 <u>AF</u> | 21 <u>AF</u> | 22 <u>AF</u> | 23 <u>AF</u> | 24 <u>AF</u> | 25 <u>AF</u> | 26 <u>AF</u> | 27 <u>AF</u> |
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Page 12 of 16

Tomz Case, shall have sole and exclusive jurisdiction regarding any dispute related to the enforcement, performance or non-performance of any future obligation contained herein (including any integral components hereof).

[Ex. 18, pp. 12-13 (emphasis added)(Defendant Field's initials are #20.)]

Defendant Field executed this agreement in February of 2017. The hearing to approve this settlement agreement did not occur until November 27, 2017. At the approval hearing, Defendant Field again affirmed his consent to the agreement, and specifically to Judge Miller retaining jurisdiction over matters related to the enforcement of the agreement. At no time after signing the agreement or during the lengthy approval process ultimately concluding entry of the written order

on December 1, 2017, did Defendant Field object or withdraw his consent to the above-quoted provision.<sup>2</sup>

As noted within the affidavits of Jerry Saad (Ex. 14) and Stanley Case (Ex. 15), Judge Miller has presided over every hearing giving rise to the GSA and knows its lengthy history better than any other sitting Circuit Court judge. This is the true reason behind Field's motion – not that Judge Miller has acted improperly, but that Judge Miller understands the context of the GSA more than any other judge. This is why the Plaintiffs insisted he remain the sole decider of future disputes regarding the GSA. In short, it is Judge Miller's knowledge, not his conduct, that compelled Field's desperate attempt to force another judge to undertake beginning anew with the Receiver's pending motion. If Field felt truly aggrieved by Judge Miller's conduct, he would have filed his grievance as soon as he was released from jail in early February of 2019.

The fact he waited until the eve of the rescheduling of this motion is demonstrative of the frivolous nature of his grievance, and, correspondingly, the frivolous nature of his pending motion to recuse. Field's grievance and this motion are just the most recent in his long history of frivolous litigation tactics.

### Conclusion

For these reasons, Defendant Field's motion to recuse Judge Miller should be **DENIED**.

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<sup>2</sup> In support of his motion objecting to Judge Miller's hearing any additional matters on this case, Field relies upon hearing testimony from December 14, 2011, September 17, 2013 and September 29, 2016 [Field Motion, pp. 4-6], all of which took place **long before** Defendant Field signed the GSA in February 2017 and approved in December 2017.

Respectfully submitted,

*/s/ Rodney F. Pillsbury*

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*/s/George Brandt, III*

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-and-

*/s/Stanley T. Case*

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Attorney for the Class Action Plaintiffs  
(William F. Tomz and Francis W. Tomz,  
Individually and as Class Representatives)

October 14, 2020



STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GREENVILLE )  
 )  
William Tomz and Francis W. Tomz, )  
Individually and as Class Representatives )  
 )  
Plaintiffs, )  
 )  
vs. )  
 )  
Capital Investment Funding, LLC )  
and Arthur M. Field )  
 )  
Defendants. )  
\_\_\_\_\_ )

IN THE COURT OF COMMON PLEAS  
THIRTEENTH JUDICIAL CIRCUIT  
CASE NUMBER 2008-CP-23-3665  
  
NOTICE OF MOTION AND  
MOTION TO RECUSE

TO: STANLEY T. CASE, ESQ., ATTORNEY FOR PLAINTIFFS, and GEORGE BRANDT, III, ESQ., ATTORNEY FOR JERRY SAAD;

PLEASE TAKE NOTICE that Defendant Arthur M. Field, through his undersigned attorney, will move before the Court, at such place and time as the Court may appoint, pursuant to the South Carolina Rules of Appellate Procedure and the Judicial Canons, as well as the Constitutions of the United States and of South Carolina, that this Court recuse itself from this matter. Movant and his counsel do not lightly make this motion. The Court should grant this motion as set forth below.

**OBJECTION TO PERSONAL JURISDICTION**

Pursuant to Rule 12, SCRCP, Defendant Arthur M. Field objects to any assertion of personal jurisdiction in this matter. Field further objects to the insufficiency of process and the insufficiency of service of process.

Field is a resident of Florida and reserves all rights. See *State v. Dudley*, 354 S.C. 514, 542, 581 S.E.2d 171, 186 (Ct.App. 2003)("A defendant may waive any complaints he may have regarding personal jurisdiction by failing to object to the lack of personal jurisdiction and by



appearing to defend his case.") Field, through his undersigned attorney, files this motion subject to these objections.

### LAW / STANDARD

South Carolina's Code of Judicial Conduct states, "A judge shall avoid impropriety and the appearance of impropriety in all of the judge's activities." Section 2(A), Code of Judicial Conduct (CJC), Rule 501, SCACR. "The test for appearance of impropriety is whether the conduct would create in reasonable minds a perception that the judge's ability to carry out judicial responsibilities with integrity, impartiality and competence is impaired." *Commentary* to Section 2(A), CJC, Rule 501, SCACR. "A judge shall disqualify himself or herself in a proceeding in which the judge's impartiality might reasonably be questioned. . . ." Section 3(E)(1), CJC, Rule 501, SCACR. "Under this rule, a judge is disqualified whenever the judge's impartiality might reasonably be questioned, regardless whether any of the specific rules in Section 3E(1) apply." *Commentary* to Section 3(E)(1), CJC, Rule 501, SCACR.

"Under Canon 3(E)(1)(a), a judge should disqualify himself in a proceeding in which his impartiality might reasonably be questioned, including but not limited to, instances where he has a personal bias or prejudice against a party." *Patel v. Patel*, 359 S.C. 515, 599 S.E.2d 114(2004).

The due process clauses of the United States and South Carolina constitutions require that Judge Miller disqualify himself from participation in this matter. As stated by the United States Supreme Court, "[u]nder our precedents there are objective standards that require recusal when "the probability of actual bias on the part of the judge or decisionmaker is too high to be constitutionally tolerable." *Caperton v. A. T. Massey Coal Co.*, 566 U.S. 868 (2009) (citing *Withrow v. Larkin*, 421 U.S. 35, 47, 95 S. Ct. 1456, 43 L. Ed. 2d 712 (1975)). In *Caperton*, the Supreme Court held that the Fourteenth Amendment was violated when one of the majority justices of the West Virginia Supreme Court refused to recuse himself due to receiving large

campaign contributions from, and through the efforts of, the corporation's principal. The Supreme Court held that actual bias and prejudice need not be shown in order to establish a constitutional deprivation of due process. Objective standards may require recusal whether or not actual bias on the part of a judge exists or can be proved. The failure to consider objective standards requiring recusal is not consistent with the imperatives of due process, the *Caperton* Court held.

The *Caperton* Court held that the true constitutional test was not actual prejudice or actual bias, but the question is whether, "under a realistic appraisal of psychological tendencies and human weakness," the interest "poses such a risk of actual bias or prejudgment that the practice must be forbidden if the guarantee of due process is to be adequately implemented." *Id.*, citing *Withrow*, 421 U.S., at 47, 95 S. Ct. 1456, 43 L. Ed. 2d 712.

In the recent case of *Ledford v. Dep't of Pub. Safety*, 428 S.C. 387, 835 S.E.2d 509 (S.C. 2019), the South Carolina Supreme Court addressed the issue of recusal in a *per curiam* opinion. In *Ledford*, a Worker's Compensation Commission commissioner subject to the Code of Judicial Conduct, the Supreme Court held that the commissioner's comments toward Ledford required recusal. In that case, the commissioner said "while [Ledford] may be a former member of the South Carolina Highway Patrol ACE Team, he was not a member of the 'Truth Team[.]'" *Id.* The commissioner also said in proceedings that she "did not believe anything [Ledford] said except his name and age.!" required recusal. *Id.*

### FACTS RELATING TO THIS MOTION

This motion is made on the basis of (A) comments made by Judge Edward Miller to or about Arthur Field during hearings or other proceedings that occurred during the long course of litigation in this case and (B) the inherent, inescapable conflict of interest raised where Defendant Arthur Field has filed formal written complaints concerning the conduct of Judge Miller during litigation to the Judicial Merit Selection Commission, which is currently screening Judge Miller

for his re-election candidacy to the bench.

**A. Biased, Disparaging, or Unfair Comments made by Judge Edward Miller to or  
about Arthur Field**

**1. Special Meeting of Capital Investment Funding, December 14, 2011.**

On December 14, 2011, Judge Miller presided over a special meeting of plaintiff class members, including prosecutors from the Attorney General's office, to update the class on the progress of the class action litigation. Prior to any indictment ever being presented to a Grand Jury, in response to a question about the existence of an investigation, Judge Miller said, "we sat in this courtroom when we settled this matter in '09 and that was how we were able to get an agreement was that Mr. Field refused to give up his Fifth Amendment Rights. If he's innocent, I don't know why he would need those . . . ." Ex. A, p. 67.

**2. Rule to Show Cause Hearing on September 17, 2013.**

On September 12, 2013, Field's attorney, Bradford Martin, Esq., filed for a continuance in the case on due process grounds because he was new to complex, years-old case; Martin then brought that motion to the attention of Judge Miller during the September 17, 2013 hearing. Ex. B, p. 3. Judge Miller denied the motion and castigated Attorney Martin, "[s]o let me get this straight, your client stole forty million dollars and now he's the victim?" Ex. B, p.7. Asked by Attorney Martin to clarify, Judge Miller reiterated, "I said your client stole forty million dollars and now he claims to be the victim." Ex. B, p. 7. Attorney Martin again attempted to clarify what Judge Miller was saying in the Rule to Show Cause hearing by then asking, "Your Honor, are you claiming that you have knowledge that my client stole forty million dollars?" Judge Miller replied, "Mr. Martin, you're not going to ask me questions in this proceeding."

Field has only ever pled guilty to charges of securities fraud based on omissions from

investment fund prospectuses and conspiracy thereto; Field has never been charged with embezzlement, larceny, or other financial crime.

In another exchange during the direct examination of Field by Attorney Martin, Field was asked if he had ever filed a grievance against the receiver or counsel. Ex. B, p. 167. Judge Miller then seized the opportunity to begin *sua sponte* questioning of Field, asking “How about the judge?” *Id.* Field demurred, confirming with Judge Miller “You want me to answer it on the record?” *Id.* Field then acknowledged having filed grievances against Judge Few and Judge Miller. *Id.* Field testified that he had withdrawn both, but Judge Miller then curtly challenged that statement: “[w]ell, you did not withdraw one against me. It was summarily dismissed.” *Id.* Attorney Martin’s questions to Field to clarify the *sua sponte* questioning by Judge Miller were then abruptly halted by the Court without any objection from opposing counsel. Ex. B, p. 168.

### **3. Rule to Show Cause Hearing on September 29, 2016.**

On September 29, 2016, Judge Miller presided over a Rule to Show Cause hearing without Arthur Field or his attorneys present; Field had been admitted for inpatient psychiatric treatment at a local medical facility. During the hearing evidence adverse to Field was introduced and admitted into the record without any ability for Field to object to or otherwise confront such evidence. At one point in the hearing, Judge Miller allowed unsworn, unnamed speakers from the gallery to address the Court. One speaker said “[Field] is very smart, manipulative and narcissistic. He’s an evil person and a very good chameleon. . . [Field] doesn’t know the difference between right and wrong.” Ex. C, pp. 99-100. Judge Miller immediately replied, “Well, I agree with everything you said except the last part about knowing the difference between right and wrong. I think [Field] knows. [Field] just doesn’t care.” Ex. C, pp. 99-100. The exchange continued with the unnamed speaker saying, “and I think the family is equally manipulative as he is,” to which Judge Miller then replied, “All right. I agree with you completely.” Judge Miller added, “I’ve

been telling Mr. Saad all these years as we went through this, [Field] will be held accountable in this life or the next.” Ex. C, p.100.

**B. Arthur Field has Filed Complaints Regarding Judge Miller That Remain Active**

The Global Settlement Agreement was approved by this Court on December 1, 2017, dismissing with prejudice all matters against Field. The clear terms of that agreement notwithstanding, Judge Miller entertained a Rule to Show Cause hearing on July 2, 2018, wherein Judge Miller held Field in Criminal Contempt and sentenced him to six (6) months in prison.

Having endured ten years of litigation before Judge Miller that included the above comments, Field exercised his constitutional rights to speak to authorities about his experiences in appearing before Judge Miller. In June 2020, Field filed a grievance against Judge Edward Miller with the Disciplinary Counsel for review and action by the South Carolina Commission on Judicial Conduct. Additionally, because Judge Miller is currently seeking re-election to his seat on the circuit court, Field filed a complaint with the South Carolina Judicial Merit Selection Commission, the body charged with screening candidates for all judicial posts. At present, Judge Miller’s candidacy for re-election is active and the screening process is on-going.

**ARGUMENT**

The governing authority on recusal could not be more clear, nor could the factual circumstances more clearly fit within the ambit of that governing authority. “A judge shall disqualify himself or herself in a proceeding in which the judge's impartiality might reasonably be questioned. . . .” Section 3(E)(1), CJC, Rule 501, SCACR. Taken individually, any of the comments made by Judge Miller regarding Arthur Field each reveal – *at least* – a reasonable question as to whether Judge Miller could be impartial; taken together, it strains credulity to believe that a true neutral party could conclude that no reasonable question of impartiality exists.

The suggestion that a citizen invoking his or her Fifth Amendment right somehow implies guilt offends even the most novice understanding of the American justice system. Judge Miller, an experienced jurist with a long career in the law, knows that the ability to exercise constitutional rights is fundamental. Encouraging any conclusion that the exercise of those rights would only occur if there was, in fact, guilt is *prima facie* evidence of bias or partiality. The same is to be said about comments underscoring characterization of Field as “manipulative and narcissistic” and “evil”. As applied to a litigant by the judge, it takes Olympic-level mental gymnastics to begin to understand the use of those terms as anything other than indicative of conclusions reached about the litigant by the judge. A lay person could be forgiven for referring to the acts which Field was indicted for as ‘stealing’, but in the context of this matter, where Attorney Bradford Martin was explaining the need for a continuance on due process grounds, Judge Miller’s comments can only be understood as manifest personal animus.

As this Court knows, the judicial selection process in South Carolina is rigorous and thorough. The implications of the screening process are necessarily determinative of the candidate’s career options. By definition, a successful screening is something that the judicial candidate wants -- even the candidate that only offers for a judicial service out of some altruistic *noblesse oblige*. A judicial candidate that is actively engaged in the screening process for re-election must necessarily consider the record submitted to the Judicial Merit Selection Commission. Where, then, a citizen has submitted information to the screening commission that is adverse to the candidate’s definitional interest, no reasonable person could *not* be left with a question as to the candidate’s impartiality toward the proponent of the information. This case does not even require the neutral arbiter to apply such common sense -- no imagination, at all, is required; the September 17, 2013, hearing is explicit: Judge Miller interjected himself into the testimony of Field to raise his preoccupation with a previous grievance filing by Field against the judge.

The combined effect of Judge Miller's several comments about Field and the perception of the implications of Field's submissions to the Judicial Merit Selection Commission require that recusal be granted in this case. The Code of Judicial Conduct requires nothing less.

**RELIEF**

THEREFORE, based on the foregoing, the Defendant asks that this Court grant this motion for recusal.

IN WITNESS WHEREOF, the undersigned Micajah P. Caskey, IV, on behalf of Arthur Field, moves the Court recuse himself from this matter.

Respectfully submitted,

/s Micajah P. Caskey, IV  
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**Attorney for Arthur Field**

Dated: September 26, 2020  
West Columbia, South Carolina

STATE OF SOUTH CAROLINA )  
 )  
 COUNTY OF GREENVILLE )  
 )  
 William F. Tomz and Francis W. Tomz, )  
 Individually and as Class Representatives, )  
 )  
 Plaintiffs, )  
 )  
 vs. )  
 )  
 Capital Investment Funding, LLC, and )  
 Arthur M. Field, )  
 )  
 Defendants. )  
 )  
 \_\_\_\_\_ )

IN THE COURT OF COMMON PLEAS

CIVIL ACTION NO. 2008-CP-23-3665

**PLAINTIFFS' AMENDED  
 MEMORANDUM IN  
 OPPOSITION TO DEFENDANT  
 FIELD'S MOTION TO RECUSE**

**Introduction**

Plaintiffs in this action and its court-appointed receiver (collectively "Plaintiffs") file this amended memorandum in opposition to Defendant Field's Motion to Recuse Judge Edward Miller (filed September 28, 2020) from hearing Plaintiffs' pending Motion for Declaratory Relief, which the Receiver filed on December 31, 2019. Defendant Field argues Judge Miller should be recused from all further proceedings in this matter because in June 2020, Field had filed a judicial grievance against Judge Miller. Field's motion cites transcripts from hearings nine (9), seven (7) and three (3) years ago purportedly as evidence of judicial bias. As Field is prone to do, he omits the key fact that following all of those hearings, and with full knowledge of the same, Defendant Field specifically consented to have Judge Miller preside over all issues regarding enforcement of the Global Settlement Agreement. Additionally, the timing of when Field filed his purported judicial grievance is further evidence of the frivolous nature of his grievance employed as his most recent effort to thwart the administration of justice.



### Contextual Background

#### 1. Field's Use of Similar Tactics When He Practiced Law in Connecticut

The alleged grievance against Judge Miller in this matter is just the most recent example of Field's abuse of frivolous tactics employed in a desperate attempt to obtain an advantage in litigation. For example, when Field was licensed to practice law in Connecticut, a fellow lawyer sought Field's malpractice insurance information. When Field refused to provide it, the opposing lawyer filed a grievance. Field then sued the opposing attorney. In a case of first impression, identifying Field's complaint as a SLAPP suit ("Strategic Lawsuits Against Public Participation"), the Connecticut Court of Appeals readily upheld its dismissal. Field v. Kearns, 682 A.2d 148 at 153 (Conn. App., 1996). [Exhibit 1, Field v. Kearns, 682 A.2d 148, 43 Conn.App. 265 (Conn. App., 1996)]

Defendant Field's long-time *modus operandi* has always included attempts to disqualify opposing counsel or judges whom he perceives as unfavorable by filing suits against opposing counsel personally or filing grievances against judges. By suing the opposing attorneys in their personal capacity, Field hopes to have them disqualified from the case. In all of these instances, the suits and grievances are found baseless – as will likely be in the case at bar.

Field's history of employing these frivolous tactics is lengthy. When practicing law in Connecticut, Field was involved in a real estate scam known as Swiss Conservative Group ("SWG"). Essentially, SWG advertised to refinance residential home loans for owners in financial dire straits. The homeowners thought they were refinancing their debt, but later discovered they had actually sold their homes and remained there only as tenants – losing all of their equity. Field closed many of these loans in Connecticut.

The New York Attorney General's office brought a civil action against the principals behind SWG. Eventually, the NYAG sought to include Field in the suit for his role in closing these loans. [Exhibit 2, Proposed Amended Petition by New York Attorney General]. The

Assistant Attorney General (Lila Kirton) notified the Connecticut Bar Association about Defendant Field's activities.

Field then sued Lila Kirton in her personal capacity. [Exhibit 3, Field's Complaint and Proposed Amended Complaint].<sup>1</sup> Within that litigation, Field then moved add the lawyers who were representing Ms. Kirton in that case as party defendants. [Exhibit 5, Field's Request for Joinder of Parties]. One of those attorneys, the Honorable Andrew J. McDonald, is now a sitting associate justice on the Connecticut Supreme Court. [See, [https://www.jud.ct.gov/external/supapp/justice\\_mcdonald.html](https://www.jud.ct.gov/external/supapp/justice_mcdonald.html)] In their opposition, Kirton's attorneys pointed out that Field's attempt to join her attorneys as parties, if successful, would result in their disqualification from continuing to represent Ms. Kirton in that case. [Exhibit 6, Kirton's Memorandum in Support of Plaintiff's Request for Joinder of Parties, p. 18] Field's motion was quickly denied. [Exhibit 7, Order denying Field's Motion for Joinder]

Ultimately, the Court dismissed Field's frivolous lawsuit. In his lengthy decision granting summary judgment for Ms. Kirton, Judge Cabranes (now an esteemed justice on the Second Circuit Court of Appeals) went out of his way to document that the character (or lack thereof) of Field's co-defendant/client, Israel Reveh: "I [Judge Cabranes] observed that by his conduct and

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<sup>1</sup> Among the many frivolous claims, Field claimed that Ms. Kirton's actions violated his constitutional rights on the alleged basis that Ms. Kirton was "non-Caucasian" and her actions against him were because he was Jewish:

KIRTON, who is a non-Caucasian, performed all of the acts and abused her official quasi-governmental position, as aforesaid, to intentionally injury the Plaintiff Israel Raveh, a foreign born Jew, and Plaintiff Field, a Jew, and other people, all of whom are Jewish, in direct violation of the United States Constitution .... Such acts were done to discriminate against the Plaintiffs because of their religion and/or national origin.

[Exhibit 4, Plaintiff's Second Amended Complaint, p. 11, ¶69.]

demeanor at various hearings ... Raveh has shown himself to be one of the most obviously deceptive and untrustworthy litigations [*sic*] I have encountered in fourteen years as a federal trial judge.” [Exhibit 8, Field v. Kirton, 856 F.Supp. 88 at 91, n.1 (D.Conn. 1994)]

His opinion of Field was not much better. Judge Cabranes noted that at one point in the original civil action against Field and Raveh, Field “disavowed any connection with Israel Raveh. As noted above, Field ultimately represented Raveh in that case, and to reiterate, Field and Raveh commenced this action together.” *Id.* at n.4 (emphasis added). Judge Cabranes also noted Magistrate Judge Smith’s finding Field’s testimony to be unpersuasive [*Id.* at n.1] and how Field “has submitted no evidence whatsoever to substantiate his claim.” [*Id.* 856 F.Supp. at 92, n.11]

In the underlying foreclosure litigation arising from the loans Field had closed, Field was not a party to the proceedings. But in a foreshadowing of things to come in South Carolina, Field prepared motions and submittals for some of the *pro se* defendants employing his same frivolous tactics. For example, one foreclosure case was First Trust National Assoc. as Trustee v. Hitt, et al. (Superior Ct. Conn., Middlesex Judicial Div. CV-93-0068443). In that case, the bank was foreclosing on the loan. Defendant Hitt, who was *pro se*, was an investor who had purchased a home in a transaction Field closed, when the unwary homeowners thought they were refinancing.

In that litigation, Field, not a party, prepared a motion that Mr. Hitt filed to disqualify the attorneys representing the Plaintiff-bank. [Exhibit 9, Transcript of hearing, September 20, 1993, p.24] As evident from the hearing transcript, Mr. Hitt had no substantive understanding of the motion he had filed. [*Id.*] Also evident is the fact that the motion itself had no legal basis. [*Id.* at pp. 24-25] The motion was summarily denied. The key takeaway is serves as one of a multitude

of examples where Field files frivolous motions to disqualify counsel in an attempt to obtain a tactical advantage.

When the New York Assistant Attorney General notified the Connecticut Bar Association about Defendant Field's conduct, ultimately the Connecticut Bar found probable cause to conduct a hearing regarding Field's ethical misconduct. Not surprisingly, the first maneuver Field, representing himself *pro se*, attempted was moving to disqualify the hearing panel. [Exhibit 19, Hearing Transcript, June 2, 1993, pp. 9-10] Field alleged that one of the panel members was also a panel member in another grievance pending before the Connecticut Bar. [*Id.*] Field's motion was summarily denied. [*Id.*]

Shortly after those grievance hearings, Field left the state of Connecticut and moved to South Carolina, where he was never licensed to practice law. In the flood of litigation following Capital Investment Funding's collapse, Field represented himself and unlawfully gave legal assistance to other co-defendants. [*See, e.g.,* Exhibit 10, Order of Judge Perry Gravely, p. 4]

## 2. Field Continues the Use of Frivolous Tactics in the South Carolina CIF Litigation

In South Carolina, Field continued filing frivolous motions to disqualify against opposing counsel and to sue them individually in desperate attempts to avoid justice. When suit was filed by CIF against Field, his wife and others who had received money from CIF, Capital Investment Funding, LLC v. Field, Pfeiffer, et al., D.S.C. C.A.: 6-12-cv-03401, the first thing Field did was attempt to file a third-party complaint against the attorneys representing CIF. [Exhibit 11, Third-party Claim] The Court summarily dismissed Field's frivolous pleading. [Exhibit 12, Order Dismissing Third-party Complaint, filed May 7, 2013]

When the noteholders brought a subsequent RICO case against Field based upon his criminal conviction for securities fraud (Harold Brooks, et al., v. Arthur Field, D. S.C., C.A. 6:14-

cv-02267-BHH-JDA), once again, Field filed motions to disqualify Plaintiffs' counsel. [Exhibit 13, Field's Motion to Disqualify Counsel] This motion was also summarily denied. [Text Order, January 29, 2016, ECF Doc. 234].

Just within the case at bar, Judge Edward Miller was assigned to this case was because Field filed a judicial grievance against the original presiding circuit court judge, Honorable John Few. Judge Miller presided over innumerable hearings most of which were Rules to Show Cause brought by the Receiver against Arthur Field for his repeated refusal to obey court orders and his repeated lies to the Receiver and to the Court. [See, Exhibit 14, Affidavit of Jerry Saad (which attached the numerous Rules to Show Cause he was forced to bring against Field during his receivership)].

As evident from the attachments to Saad's affidavit, each motion meticulously documents what Field was required to do, what he refused to do and what lies he proffered to exonerate himself. [Id. See Attachments 1-3] Plaintiffs incorporate all affidavits and exhibits fully herein as which collectively demonstrate Field's continued connivance and rebuke of the orders from Judge Miller.

Yet, despite Field's own egregious behavior, Judge Miller did not always sanction Field, even when such was amply warranted by the facts and the law. At the end of the day, Field's incarceration for criminal contempt of court was the direct and sole result of Field's documented lying to the Court and his attempts to shield money from the court-appointed receiver. Field never substantively appealed his finding of criminal contempt and his resulting sentence. As such, the findings of Judge Miller about Field's misconduct are the law of the case. [See also, Exhibit 15, Affidavit of Stanley Case, Esquire]

The reason why Field filed his grievance is not due to any alleged misconduct by Judge Miller; rather, it was a last-minute attempt to avoid the imposition of additional sanctions Field knew likely would be imposed based upon misrepresentations he has made to the courts in Florida.

[See, Receiver's Motion for Declaratory Relief, filed December 31, 2019.] Field has made numerous misrepresentations about the Global Settlement Agreement to Court's in Florida. This necessitated the filing of the Receiver's motion for declaratory relief. Knowing he was likely facing an adverse ruling, because – as the motion makes clear – the collection action pending in Florida is clearly authorized under the GSA, Field once again seeks to thwart justice with his frivolous grievances.

The timing of Field's judicial grievance filing reflects **highly** on its frivolous nature. If Field truly felt aggrieved by Judge Miller's rulings, one would expect he would have filed his grievance immediately after his criminal sentence or immediately following his release from jail on or about February 4, 2019. Yet, Field did and said nothing.

When the Florida collection was initiated in January 2019, and during its entire pendency, Field never felt filing a grievance against Judge Miller was necessary or warranted (at least enough such that Field filed anything). Even after the receiver file his motion for declaratory relief, Field did not complain about Judge Miller's conduct. Field originally sought to remove the motion to federal court – claiming now he was a Florida resident. When federal court dismissed Field's attempt to remove the matter [See, Exhibit 16, Order of Remand, filed February 20, 2020], and knowing the matter was going to be sent back to Judge Miller for a hearing, Defendant Field did not complain about any of Judge Miller's prior conduct or rulings.

In fact, the matter was originally scheduled to be heard on February 27, 2020. Field had still not filed any grievance against Judge Miller. Instead, his counsel, a State Representative, successfully had the hearing continued by invoking his protection as a legislator. [Exhibit 17, Email from Non-Jury Clerk of Court, dated February 24, 2020]

It was not until four (4) months later when the legislative protection was coming to an end (and the motion would soon be rescheduled for a hearing) that Field filed his grievance. Now,

conveniently, Field's grievance is employed as the basis to further delay justice in this case by seeking Judge Miller's recusal.

3. Why Judge Miller Should NOT be Recused from This Matter.

After years of litigation in multiple forums, Plaintiffs reached a global settlement of all issues with all parties. The Global Settlement Agreement ("GSA")[Exhibit 18, Global Settlement Agreement] was the result of hundreds, if not thousands, of man-hours and multiple hearings. Knowing the extraordinary litigious nature of Defendant Field, Plaintiffs insisted the agreement stipulate that the judge who was most familiar with the litigation (Judge Edward Miller) retained sole jurisdiction over dispute which arose from the enforcement or interpretation of the GSA:

ii. Upon approval by the Court, this settlement will be full and final as to all parties identified herein, with the sole exception if it is later demonstrated Arthur Field has made a material misrepresentation to the Court regarding his verified financial disclosure set forth in sub-part i (above). This Agreement contains terms and conditions of certain events to happen in the future. The parties agree that the Judge Edward W. Miller, the presiding judge in the

|            |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
|------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Initials 1 | 2  | 3  | 4  | 5  | 6  | 7  | 8  | 9  | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| Initials   | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS | AS |

Page 12 of 16

Tomz Case, shall have sole and exclusive jurisdiction regarding any dispute related to the enforcement, performance or non-performance of any future obligation contained herein (including any integral components hereof).

[Ex. 18, pp. 12-13 (emphasis added)(Defendant Field's initials are #20.)

Defendant Field executed this agreement in February of 2017. The hearing to approve this settlement agreement did not occur until November 27, 2017. At the approval hearing, Defendant Field again affirmed his consent to the agreement, and specifically to Judge Miller retaining jurisdiction over matters related to the enforcement of the agreement. At no time after signing the agreement or during the lengthy approval process ultimately concluding entry of the written order

on December 1, 2017, did Defendant Field object or withdraw his consent to the above-quoted provision.<sup>2</sup>

As noted within the affidavits of Jerry Saad (Ex. 14) and Stanley Case (Ex. 15), Judge Miller has presided over every hearing giving rise to the GSA and knows its lengthy history better than any other sitting Circuit Court judge. This is the true reason behind Field's motion – not that Judge Miller has acted improperly, but that Judge Miller understands the context of the GSA more than any other judge. This is why the Plaintiffs insisted he remain the sole decider of future disputes regarding the GSA. In short, it is Judge Miller's knowledge, not his conduct, that compelled Field's desperate attempt to force another judge to undertake beginning anew with the Receiver's pending motion. If Field felt truly aggrieved by Judge Miller's conduct, he would have filed his grievance as soon as he was released from jail in early February of 2019.

The fact he waited until the eve of the rescheduling of this motion is demonstrative of the frivolous nature of his grievance, and, correspondingly, the frivolous nature of his pending motion to recuse. Field's grievance and this motion are just the most recent in his long history of frivolous litigation tactics.

### Conclusion

For these reasons, Defendant Field's motion to recuse Judge Miller should be **DENIED**.

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<sup>2</sup> In support of his motion objecting to Judge Miller's hearing any additional matters on this case, Field relies upon hearing testimony from December 14, 2011, September 17, 2013 and September 29, 2016 [Field Motion, pp. 4-6], all of which took place long before Defendant Field signed the GSA in February 2017 and approved in December 2017.



Respectfully submitted,

*/s/ Rodney F. Pillsbury*

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*/s/George Brandt, III*

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-and-

*/s/Stanley T. Case*

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(William F. Tomz and Francis W. Tomz,  
Individually and as Class Representatives)

October 14, 2020



## Summary of Timeline

Following this Summary is a 6-Page *Timeline - Overview of Pertinent Events* .

The Events listed in the Timeline do *not* include *all* important events that have occurred during the 13 years of the Tomz Case, but rather is a synopsis of those events deemed to be relevant for the following purposes at hand:

- 1 *Defendant Field's Motion To Recuse*
- 2 *Receiver's Motion For Declaratory Relief Related To CIF's Judgment Collection Action In Florida*

The tremendous volume of events that occurred over the course of the 13 years made difficult the task of identifying the events appropriate to present for the purposes at hand.

Accordingly, questions raised and further contemplation of the matters may give rise to supplementing this Timeline.

## Timeline - Overview of Pertinent Events

2008 thru 2014

*Gray = Having To Do With The Criminal Matter*

|           |                                                                                                                                                    |                                                                                                                                                                                                                                        |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2008      | <i>From Feb thru<br/>October 2008</i>                                                                                                              | <p><b>4 Separate Lawsuits Filed</b><br/> <i>4 Separate Lawsuits Filed - One in Pickens County, One in Horry County; One in Spartanburg County, and One in Greenville County</i></p>                                                    |
|           | 5/8/2008                                                                                                                                           | <p><b>Order - Changing Venue of Case to Greenville / Judge Few Assigned to Case</b><br/> <i>Issued by Judge Baxly, 15th Judicial Court</i></p>                                                                                         |
|           | 8/26/2008                                                                                                                                          | <p><b>Order Certifying Class - Appointing Class Co-Counsel</b><br/> <i>Stan Case and Gene Connell appointed Class Co-Counsel</i></p>                                                                                                   |
| 2009      | 7/2/2009                                                                                                                                           | <p><b>Motion To <b>Recuse</b></b> <i>case soon reassigned to Judge Miller</i><br/> <i>Filed by Arthur Field, pro se</i><br/> <i>Case reassigned to Judge Miller</i></p>                                                                |
|           | 8/24/2009                                                                                                                                          | <p><b>Mediated Global Settlement Agreement Approved</b><br/> <i>Approved by Judge Miller</i><br/> <i>Jerry Saad appointed Receiver</i></p>                                                                                             |
| 2012      | 6/5/2012                                                                                                                                           | <p><b>Order and Rule to Show Cause</b><br/> <i>Order Re: Motion To Compel Production Filed By Counsel for Receiver</i><br/> <i>Field Ordered To Produce Documents</i></p>                                                              |
|           | 6/13/2012                                                                                                                                          | <p><b>SC Grand Jury Indictment Arthur Field</b></p>                                                                                                                                                                                    |
| 2013      | 5/6/2013                                                                                                                                           | <p><b>Arthur Field Plea Agreement and Hearing</b><br/> <i>Judge Maddox accepted Arthur Field's Plea Agreement</i><br/> <i>11 Counts Securities Fraud, 2 Counts Criminal Conspiracy to Commit Securities Fraud, 1 Count Forgery</i></p> |
|           | 9/17/2013<br><i>Hearing</i>                                                                                                                        | <p><b>Order and Rule to Show Cause</b><br/> <i>Order Re: Motion To Compel Production Filed By Counsel for Receiver</i><br/> <i>Field Ordered To Produce Documents</i></p>                                                              |
|           | Order Dated<br>10/1/2013                                                                                                                           | <p><i>Field Held in Contempt-But No Sanctions Were Ordered</i><br/> <i>Field Filed Appeal w/SC CofA</i></p>                                                                                                                            |
|           |                                                                                                                                                    | <p><b>Motion To <b>Recuse</b></b><br/> <i>Counsel for Field Filed Motion for <b>Recusal</b> - which was denied</i></p>                                                                                                                 |
|           |                                                                                                                                                    | <p><b>Motion To Continue</b><br/> <i>Counsel for Field Filed Motion to Continue- which was denied</i></p>                                                                                                                              |
|           | 10/7/2013                                                                                                                                          | <p><b>Arthur Field Criminal Sentencing</b></p>                                                                                                                                                                                         |
| 12/9/2013 | <p><b>Appeal of Order and Rule To Cause</b><br/> <i>Counsel for Field Filed Appeal - Seeking <b>Recusal</b> and Reversal of Contempt Order</i></p> |                                                                                                                                                                                                                                        |
| 2014      | 7/18/2014                                                                                                                                          | <p><b>SC Court of Appeals Order</b><br/> <i>Remands Back to Circuit Court Review of Records</i></p>                                                                                                                                    |
|           | 10/27/2014<br><i>Hearing</i>                                                                                                                       | <p><b>Motion To Determine Completeness of Record for 9-17-13 Hearing</b><br/> <i>As Remanded from SC CofA</i></p>                                                                                                                      |
|           | Order Dated<br>2/15/2015                                                                                                                           | <p><i>Hearing including Testimony and Oral Arguments</i><br/> <b>Order To Supplement Records with Corrections of Scriveners Errors Only</b><br/> <i>No Material Change To Record</i></p>                                               |

## Timeline - Overview of Pertinent Events

2015 thru 2020

*Yellow = Matters Leading To Mediation & Ultimately The GSA*

|             |                                                  |                                                                                                                                                                                                                                                        |
|-------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2016</b> | 1/29/2016<br><i>Order</i>                        | US District Court RICO Case - Brooks et al v Field et al<br><i>Court Order Directing Parties To Mediate</i>                                                                                                                                            |
|             | 3/25/2016<br><i>Mediation</i>                    | Mediation - CIF, Brooks, Field et al<br><i>First Mediation Meeting - Columbia SC</i>                                                                                                                                                                   |
|             | 5/6/2016<br><i>Motion Filed</i>                  | Plaintiff's Objection To Claim of Privilege, Motion for In Camera Inspection and Motion To Compel Production<br><i>Motions Filed By Counsel for Receiver - Still Trying To Get Field's Records<br/>Motion Heard on 12-8-16</i>                         |
|             | 9/8/2016<br><i>Order</i>                         | Order Re: Rule To Show Cause Scheduled for 9-29-16<br><i>Field Ordered To Produce Records - No Sanctions Ordered</i>                                                                                                                                   |
|             | 9/19/2016<br><i>Mediation</i>                    | Mediation - CIF, Brooks, Field et al<br><i>Second Mediation Meeting - Columbia SC</i>                                                                                                                                                                  |
|             | 9/29/2016<br><i>Hearing</i>                      | Rule To Show Cause Hearing<br><i>Arthur Field Did Not Attend Hearing As He Was Committed To Carolina Behavioral Health Center<br/>Continued Re: Arthur Field Appearance - See 12-8-16 Hearing</i>                                                      |
|             | 10/20/2016<br><br><i>12/8/2016<br/>Withdrawn</i> | Global Settlement Agreement Offered<br><i>Mediated Settlement Finalized<br/>Mediated Settlement Signed By Plaintiffs and Defendants Except for Defendant Allyson Field Who Refused To Signed Without Additional Concessions In Favor of Her Father</i> |
|             | 12/8/2016<br><i>Reconvened</i>                   | Rule To Show Cause Hearing<br><i>Counsel for Field Filed Motion for <b>Recusal</b> - which was denied</i>                                                                                                                                              |
|             | 12/15/2016<br><i>Order</i>                       | Order To Produce Records<br><i>From Rule To Show Cause Hearing - Field Ordered To Produce Records and Produce Privilege Log For Any Documents Claimed As Privileged</i>                                                                                |
|             | 1/12/2017<br><i>Order</i>                        | Supplemental Order Regarding Production of Records and Defendant Field's Motion To Alter or Amend<br><i>Denied Field's Motion To Allow 118 Days To Produce</i>                                                                                         |

## Timeline - Overview of Pertinent Events

2017

*Yellow = Matters Leading To Mediation & Ultimately The GSA*

*Green = Matters Related To Field's False Statements Made Regarding Insurance*

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2017 | <p><b>2/24/2017</b><br/>GSA</p> <p><b>Global Settlement Agreement ("GSA")</b><br/><i>After Extensive Renegotiations, Revised GSA agreed to, and signed by all representing over 40 parties</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|      | <p><b>3/17/2017</b><br/>Hearing</p> <p><b>Hearing To Approve GSA</b><br/><i>Initial Hearing and Presentation of GSA to Court and CIF Noteholders</i><br/><i>Approval Continued Until Judge Maddox Rules on Motion To Modify Restitution (As Required under GSA)</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|      | <p><i>Notable: One the Many Provisions of the GSA Required the Thornblade House (Field's Residence) Be Transferred To CIF Upon Approval of the GSA, and Until the Transfer Required the Insurance Policy name CIF as a Named Insured.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|      | <p><b>3/14/2017</b><br/><b>3/21/2017</b></p> <p>Arthur Field email Confirms State Farm Insurance Policy has CIF As Named Insured<br/>Hail Storm Damages Thornblade House</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|      | <p><b>4/11/2017</b><br/><b>5/11/2017</b></p> <p>Arthur Field Instructs State Farm Insurance To Remove CIF As Insured<br/>Arthur Field Filed Casualty Loss Report Re: Hail Damage</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|      | <p><b>5/31/2017</b><br/><b>6/1/2017</b></p> <p>Arthur Field Received First Installment of Insurance Claim - \$17414.74 (Approx 50%)<br/>Receiver Saad Curiously &amp; Coincidentally (By Chance - Without Specific Knowledge of Field's Actions) Calls State Farm - State Farm Advises CIF is Not A Named Insured</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|      | <p><b>6/1/2017</b><br/><b>6/2/2017</b><br/><b>6/2/2017</b></p> <p>Arthur Field Instructs State Farm To Not Call Receiver Saad Back<br/>Receiver Saad emails Field Inquiring of Insurance Coverage<br/>Field emails Receiver Saad Claiming Error by State Farm &amp; He Has Set Aside the Insurance Proceeds for Repairs</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|      | <p><b>6/2/2017</b></p> <p>Receiver Saad Begins Inquiry with State Farm</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|      | <p><b>7/26/2017</b><br/>Filed</p> <p><b>Motion To Comply With Terms of GSA</b><br/><i>Motion Filed By Counsel for Receiver - Demanding Insurance Proceeds and Repairs As Required By The GSA - Hearing Scheduled for 9-5-17</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|      | <p><b>8/30/2017</b><br/>Affidavit Filed</p> <p><b>Affidavit of Arthur Field Filed</b><br/><i>Attesting As Fact:</i><br/><i>[State Farm] deleted CIF as mortgagee under the policy because CIF did not hold a mortgage. This change was not known or caused by Arthur M. Field.</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|      | <p><b>11/1/2017</b><br/>Hearing</p> <p><b>Hearing for Defendant's Motion To Reconsider Restitution (Pursuant To GSA)</b><br/><i>Judge Maddox, Presiding Judge In Field's Criminal Case, Ruled - Will Not Modify Restitution; But Did Set Forth Changed Required; Gave Parties until 11-30-17 To Comply;</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|      | <p><b>11/27/2017</b><br/>GSA</p> <p><b>GSA Addendum Negotiated &amp; Signed By Parties</b><br/><i>Changes To Restitution Provisions Deemed Acceptable By Judge Maddox - Allows Payments Under GSA to be Treated As Restitution</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|      | <p><b>11/27/2017</b><br/>Hearing</p> <p><b>Hearing for Approval of GSA and All Open Matters (RTSC and Motions To Compel)</b><br/><i>Motion Filed By Counsel for Receiver-Seeking Approval of GSA - Approved By Judge Miller</i><br/><i>Motion Filed By Counsel for Receiver-Demanding Insurance Proceeds and Repairs As Required By The GSA and Seeking Sanctions for Not Complying with the GSA</i><br/><i>Arthur Field Testifies:</i><br/><i>... we had immediately put Capital Investment Funding as an additional insured on the policy. Somehow, when it renewed, it wasn't there. When the check was issued, I said to the adjuster it needs to be cut to Capital Investment Funding. We tried to stop the check. They would not stop the check.</i><br/><i>Motions To Compel Matters Hearing Continued Until 12-7-17</i></p> |

## Timeline - Overview of Pertinent Events

2017 & 2018

*Yellow = Matters Leading To Mediation & Ultimately The GSA*

*Green = Matters Related To Field's False Statements Made Regarding Insurance*

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2017 | <p><b>11/28/2017</b><br/><i>Order</i></p> <p><b>Order Denying Defendant's Motion To Reconsider Restitution But Allowing Modifications To Restitution In Light of 08-CP-23-3665</b></p> <p><i>Issued By Judge Maddox, Presiding Judge In Field's Criminal Case</i></p> <p><i>Note: Motion To Modify Restitution Was A Requirement of GSA; Judge Maddox Recognized Importance of GSA; Allowed Modification Only To Extent Payments Made under GSA Will Be Recognized As Payments Towards Restitution - Parties Agreed and Signed GSA Addendum</i></p>                                                                                                       |
|      | <p><b>12/1/2017</b><br/><i>Order</i></p> <p><b>Order Approving GSA and Ordering Insurance Records To Compare To Field's Testimony</b></p> <p><i>Issued By Judge Miller from 11-27-17 Hearing</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|      | <p><b>12/6/2017</b><br/><i>Affidavit Filed</i></p> <p><b>Affidavit of Arthur Field Filed</b></p> <p><i>Attesting As Fact:</i></p> <p><i>... State Farm asked me if CIF still had a mortgage on the property. I recall I replied "No" and explained there was no mortgage on the property, and that CIF is an "additional insured." ...</i></p> <p><i>I believe a misunderstanding may have occurred during ting in State Farm removing CIF when I said there was no mortgage and that CIF was not a mortgagee. ...Anything that may have occurred was likely a result of miscommunication or misunderstanding and not intended as non-compliance.</i></p> |
|      | <p><b>12/7/2017</b><br/><i>Hearing</i></p> <p><b>Hearing for Motions To Compel - Continued from 11-27-20</b></p> <p><i>Motion Filed By Counsel for Receiver-Demanding Insurance Proceeds and Repairs As Required By The GSA and Seeking Sanctions for Not Complying with the GSA</i></p> <p><i>Continued - attempted to reconvene in January but Counsel for Field invoked legislative immunity until July 2, 2018</i></p>                                                                                                                                                                                                                                |
|      | <p><b>12/21/2017</b><br/><i>Order</i></p> <p><b>Order For Insurance Records To Be Submitted To Court / Contempt of Court Ruled for Kirsten White</b></p> <p><i>Issued By Judge Miller from 12-7-17 Hearing</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2018 | <p><b>7/2/2018</b></p> <p><b>Hearing for Rule To Show Cause - Continued from 11-27-20</b></p> <p><i>Arthur Field Did Not Appear at the Hearing</i></p> <p><i>State Farm Agent Testifies Arthur Field instructed State Farm to Remove CIF from Policy</i></p> <p><i>Testimony Was Amply Supported By Contemporaneously Kept Business Records</i></p> <p><i>All Were A Direct Contradiction of Arthur Field's Previous Sworn Testimony and Affidavits</i></p>                                                                                                                                                                                               |
|      | <p><b>7/2/2018</b></p> <p><b>Criminal Contempt Order</b></p> <p><i>Issued By Judge Miller - Sentencing Arthur Field to 6 Months Incarceration</i></p> <p><i>Counsel for Arthur Field, Micah Caskey, Oral Motion for Judge Miller's <b>Recusal</b>-Taken Under Advisement</i></p>                                                                                                                                                                                                                                                                                                                                                                          |
|      | <p><b>7/4/2018</b></p> <p><b>Arthur Field Reports for Incarceration To Serve 6 Month Sentence</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## Timeline - Overview of Pertinent Events

2017 & 2018

*Gray = Having To Do With The Criminal Matter*

*Blue = Having To Do With Field & His Counsels Violating GSA After GSA Was Approved*

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2017 | <p>From 12-7-17 Thru 4-21-18</p> <p>Upon Approval of the GSA (Which Occurred on 12-1-17 and Which Settled All Prior Matters), the GSA Required Defendant Field To File With The SC Court of Appeals A <u><i>Motion To Dismiss</i></u> The Pending Rule To Show Cause Matter / (Judge Miller's 10-1-13 Contempt Order Against Field Which Included No Sanctions, Just Order To Produce).</p> <p>However, Instead of Filing A Simply One Sentence <u><i>Motion To Dismiss</i></u>, Field and Counsel Proceeding In A Filing Multiple Documents With The SC Court of Appeals In An Attempt To Perpetuate The Appeals - For Reasons Unknown.</p> <p>In Response To Plaintiff's Motion To Dismiss (Which Plaintiff Was Not Obligated To File But Did So Against the Contrary Efforts of The Defendant), The SC Court of Appeals Summarily Dismissed The Appeals - Twice -on 3-5-18 and 4-21-18.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center;"><i>The Following Is A Summary of the Various Filings That Took Place - Instead of A Single One Sentence Motion To Dismiss.</i></p> <p>12/7/2017 Attorney Martin files letter to SCCA</p> <p>12/8/2017 Judge Miller emails counsels of record</p> <p>1/11/2018 SCCA issues letter requesting status report of settlement</p> <p>1/19/2018 Plaintiffs files letter to SCCA</p> <p>1/19/2018 Attorney Martin files letter to SCCA</p> <p>1/22/2018 Attorney Martin files letter to SCCA</p> <p>1/22/2018 Defendant Field files Pro Se Notice of Appeal</p> <p>1/23/2018 Plaintiffs files letter to SCCA</p> <p>1/24/2018 Attorney Martin files Motion and Memorandum</p> <p>2/1/2018 Plaintiffs file Motion to Dismiss</p> <p>2/8/2018 Attorney Martin files Response To Motion to Dismiss</p> <p>2/8/2018 Attorney Martin files Repty To Respondents' Return</p> <p>2/16/2018 Attorney Martin files letter to SCCA</p> <p>2/15/2018 SCCA issues letters to Defendant Field's counsels</p> <p>2/22/2018 Plaintiffs file Motion To Dismiss Appeal of Arthur Field</p> <p>2/23/2018 Defendant Field files Pro Se Correspondence to SCCA</p> <p>3/5/2018 SCCA issues Order dismissing 2013 appeal</p> <p>3/14/2018 Attorneys Martin &amp; Caskey file Return and Memorandum</p> <p>4/21/2018 SCCA issues Order dismissing Defendant Field's 2018 appeal</p> </div> |
| 2018 | <p>9/7/2018 <b>Hearing - Probation Violation - In Front of Judge Maddox</b><br/><i>Judge Maddox Found: I'm going to find today for the record that he is in willful violation for standing in front of a judge and telling what the judge thought was untrue.</i></p> <p>10/30/2018 <b>Order of Judgment - Judge Maddox</b><br/><i>Restitution Ordered 10-8-13 In Amount of \$2,877,711.78 Offset by Restitution Payments of \$1,0200,77.02 - Difference of \$1,767,684.71 Converted to Civil Judgment In Favor of Jerry Saad, Receiver for Capital Investment Funding</i></p> <p>10/31/2018 <b>Order - Judge Maddox - Violation of Probation</b><br/><i>Judge Maddox Ordered Field Serve 9 Months - Concurrent With 6 month Sentence Order By Judge Miller</i></p> <p>11/20/2018 <b>Order of Judgment Recorded In Spartanburg County</b></p> <p>12/28/2018 <b>Recorded Order of Judgment Against Arthur Field in St. Johns County Florida</b><br/><b>\$1,767,684.71 SC Judgment Domesticated / Recorded In Florida</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |



## Timeline - Overview of Pertinent Events

2019 & 2020

|      |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2019 | 1/29/2019                              | <b>Levy Action Filed To Collect Judgment Recorded In St. Johns County Florida</b>                                                                                                                                                                                                                                                                                                                                                                       |
|      | 2/1/2019                               | <b>Arthur Field is Released From SC Prison</b><br><i>Arthur Field Immediately Travels to Live in His House in Florida with His Wife</i>                                                                                                                                                                                                                                                                                                                 |
|      | 5/22/2019                              | <b>Arthur Field Filed To Remove Collection Matter To Federal Court</b><br><i>Unopposed - Cash Transferred TO Us District Court In St. Augustine</i>                                                                                                                                                                                                                                                                                                     |
|      | 11/15/2019                             | <b>Field's Motion To Dismiss</b> <i>Filed By Counsel for Field</i><br><i>Claims GSA Settles All Matters Including Judgment Arising From Unpaid Criminal Restitution</i>                                                                                                                                                                                                                                                                                 |
|      | 12/31/2019<br><i>Motion filed</i>      | <b>Receiver's Motion For Declaratory Relief Related to CIF's Judgment Collection Action In Florida</b><br><i>Motion Filed In Tomz Case - To Be Heard By Judge Miller</i>                                                                                                                                                                                                                                                                                |
| 2020 | 2/4/2020<br><i>Filed</i>               | <b>Field Filed Pro Se - Notice of Removal in Federal Court</b><br><i>Seek To Remove Case</i>                                                                                                                                                                                                                                                                                                                                                            |
|      | 2/7/2020<br><i>Issued</i>              | <b>Order - Denying Removal</b><br><i>Summarily Dismissed Field Notice of Removal As Inappropriate</i>                                                                                                                                                                                                                                                                                                                                                   |
|      | 2/19/2020<br><i>Issued</i>             | <b>Order Issued By Federal Judge In Florida Collection Case</b><br><i>Order Stays Action Until SC Court Rules on GSA Question</i>                                                                                                                                                                                                                                                                                                                       |
|      | 4/1/2020<br><i>Filed</i>               | <b>Motion to Withdraw As Counsel</b><br><i>Attorney Brad Hughes Seeks To Withdrawal From Representing Arthur Field and His Wife Kathryn Taillon in Florida Federal Collection Case - Motion is granted - Field and Taillon Will Be "Pro Se"</i>                                                                                                                                                                                                         |
|      | 4/13/2020<br><i>Filed</i>              | <b>Motion to Vacate Stay &amp; Dismiss</b>                                                                                                                                                                                                                                                                                                                                                                                                              |
|      | 4/15/2020<br><i>Filed</i>              | <b>Motion to Withdraw As Counsel</b><br><i>Attorney Brad Martin Seeks To Withdrawal From Representing Arthur Field in Tomz Case - Receiver Objects / Judge Miller Has Not Ruled</i>                                                                                                                                                                                                                                                                     |
|      | 4/15/2020<br><i>Filed</i>              | <b>Plaintiff's Status Report Filed In Florida Federal Collection Matter</b><br><i>Status Report (Waiting on SC Court To Rule on Declarator Relief Motion) Filed In Federal Case In Florida - Copy of Motion for Declaratory Relief filed in Tomz Case Also Submitted</i>                                                                                                                                                                                |
|      | 5/15/2020<br><i>Filed</i>              | <b>Plaintiff's Response In Opposition To Defendant's Motion to Vacate Stay</b>                                                                                                                                                                                                                                                                                                                                                                          |
|      | 5/18/2020<br><i>Filed</i>              | <b>Field and Taillon's Joint Motion To Strike Response In Opposition To Defendant's Motion to Vacate Stay</b>                                                                                                                                                                                                                                                                                                                                           |
|      | June 2020<br><i>Date Not Specified</i> | <b>Field Filed Grievance Against Judge Miller With SC Commission of Judicial Conduct</b><br><b>Field Filed Complaint Against Judge Miller With SC Judicial Merit Selection Commission</b><br><i>Per Item B Page 6 of the Notice of Motion and Motion To Recuse Filed 09-27-2020</i><br><i>Motion Filed By Field's Attorney, Micah Caskey, Who Is A Member of the SC House of Representatives and a Standing Member of the House Judiciary Committee</i> |
|      | 9/27/2020<br><i>Filed</i>              | <b>Notice of Motion and Motion To Recuse Filed 09-27-2020</b><br><i>Filed By Micah Caskey</i>                                                                                                                                                                                                                                                                                                                                                           |
|      | 10/13/2020<br><i>Filed</i>             | <b>Plaintiff's Memorandum In Opposition To Defendant Field's Motion To Recuse</b><br><i>Includes 18 Exhibits</i>                                                                                                                                                                                                                                                                                                                                        |







FILED

STATE OF SOUTH CAROLINA  
COUNTY OF PICKENS

IN THE COURT OF GENERAL SESSIONS

OCT 08 2013

STATE

VS.

JAMES R. PARKS  
CLERK, STATE GRAND JURY

INDICTMENT/CASE# 2011-GS-47-08 (Count I)

Arthur M. Field

AKA:

Race: W Sex: M Age: 60

DOB: April 24 1953 SS#: 146-46-8092

Address: 310 Thornblade Blvd

City, State, Zip: Greer, SC 29550

DL# F430053631440 SID#

\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

W#: Direct Presentment

Date of Offense: 03/01 - 12/8/03

S.C. Code §: S.C. Code § 16-17-410

CDR Code #: 0049

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was TO: Criminal Conspiracy

CONVICTED OF or  PLEADS

In violation of § S.C. Code § 16-17-410 of the S.C. Code of Laws, bearing CDR Code # 0049

NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  §17-25-45 (CSC w/minor 1<sup>st</sup> or Lewd Act)

The charge is:  As Indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury,  Negotiated Sentence,  Recommendation by the State. (def.'s initials)

The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST:

Attorney General

12155

SC Bar #

Defendant

Attorney for Defendant

12097

SC Bar #

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 3 days/months/years or  under the Youthful Offender Act not to exceed 3 years and/or to pay a fine of \$ plus costs and assessments as applicable; the balance is suspended with probation for 3 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:

The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 days + 15 months Home Ave

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-65 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered PTUP

Total: \$ plus 20% fee: \$

days/hours Public Service Employment

Payment Terms:

Obtain GED

Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp.

Recipient:

May serve W/E beginning

Substance Abuse Counseling

\*Fine:

|                                        |         |           |
|----------------------------------------|---------|-----------|
| §14-1-208 (Assessments 107.5%)         | \$      |           |
| §14-1-211 (A)(1)(Conv. Surchage)       | \$100   | \$ 100.00 |
| §14-1-211 (A)(2)(DUI Surchage)         | \$100   |           |
| §56-5-2995 (DUI Assessment)            | \$12    |           |
| §56-1-286 (DUI Breath Test)            | \$25    |           |
| Proviso 47.9 (Public Def/Prob)         | \$500   |           |
| §14-1-212 (Law Enforce. Funding)       | \$26    | \$ 23.00  |
| §14-1-213 (Drug Court Surchage)        | \$150   |           |
| §50-21-114 (BUI Breath Test Fee)       | \$50    |           |
| §56-5-2942(J) (Vehicle Assessment)     | \$40/ea |           |
| Proviso 90.5 (SCCA Surchage)           | \$5     | \$ 3.90   |
| 3% to County (if paid in installments) | \$      |           |
| TOTAL                                  | \$      | \$ 133.90 |

Random Drug/Alcohol Testing

Fine may be pd. in equal consecutive weekly/monthly

pmts. of \$ Beginning

\$ Paid to Public Defender Fund

Other: - Reg accepted

Appointed PD or appointed other counsel, \$47.12 requires \$500 be paid to Clerk during probation.

Clerk of Court/Deputy Clerk JAMES R. PARKS  
Court Reporter Vivian Cross

Presiding Judge Maddox, J. Cordell

Judge Code: 2131

Sentence Date May 6, 2013



FILED

STATE OF SOUTH CAROLINA

IN THE COURT OF GENERAL SESSIONS

COUNTY OF PICKENS

OCT 08 2013

STATE

vs.

JAMES R. PARKS

INDICTMENT/CASE#: 2011-GS-47-08 (Count II)

Arthur M. Field

CLERK, STATE GRAND JURY

AW#: Direct Presentment

AKA:

Race: W Sex: M Age: 60

Date of Offense: 12/09/03-08/09

DOB: April 24, 1953 SS#: 146-46-8092

S.C. Code §: S.C. Code § 16-17-410

Address: 310 Thornblade Blvd

CDR Code #: 0049

City, State, Zip: Greer, SC 29550

DL# F430053631440 SID#

\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was TO: Criminal Conspiracy

CONVICTED OF or  PLEADS

In violation of § S.C. Code § 16-17-410 of the S.C. Code of Laws, bearing CDR Code # 0049

NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  §17-25-45

The charge is:  As indicted,  Lesser included offense,  Defendant Waives Presentment to Grand Jury. (def.'s initials)  
The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST:

Attorney General

12155

SC Bar #

Defendant

Attorney for Defendant

12097

SC Bar #

WHEREFORE the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 3 days/months/years or  under the Youthful Offender Act not to exceed 3 years and/or to pay a fine of \$ 2500; provided that upon the service of 30 days/months/years and or payment of \$ 2500 plus costs and assessments as applicable\*, the balance is suspended with probation for 3 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:

The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 days + 15 months from arrest

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-26-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 18-25-20 or 18-25-65 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered

PTUP

Total: \$ \_\_\_\_\_ plus 20% fee. \$ \_\_\_\_\_

\_\_\_\_\_ days/hours Public Service Employment

Payment Terms: \_\_\_\_\_

Obtain GED

Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp. \_\_\_\_\_

Recipient: \_\_\_\_\_

May serve W/E beginning \_\_\_\_\_

Substance Abuse Counseling

| *Fine:                                 |         | \$         |
|----------------------------------------|---------|------------|
| §14-1-206 (Assessments 107.5%)         |         | \$         |
| §14-1-211 (A)(1)(Conv. Surcharge)      | \$100   | \$ 100.00  |
| §14-1-211 (A)(2)(DUI Surcharge)        | \$100   | \$         |
| §56-5-2995 (DUI Assessment)            | \$12    | \$         |
| §56-1-288 (DUI Breath Test)            | \$25    | \$         |
| Proviso 47.9 (Public Def/Prob)         | \$500   | \$         |
| §14-1-212 (Law Enforce. Funding)       | \$25    | \$ 25.00   |
| §14-1-213 (Drug Court Surcharge)       | \$150   | \$         |
| §50-21-114 (BUI Breath Test Fee)       | \$50    | \$         |
| §56-5-2942(J) (Vehicle Assessment)     | \$40/ea | \$ 5.00    |
| Proviso 90.5 (SCCJA Surcharge)         | \$5     | \$ 3.90    |
| 3% to County (if paid in installments) |         | \$         |
| TOTAL                                  |         | \$ 1389.00 |

Random Drug/Alcohol Testing

Fine may be pd. in equal consecutive weekly/monthly

pmts. of \$ \_\_\_\_\_ Beginning \_\_\_\_\_

\$ \_\_\_\_\_ Paid to Public Defender Fund

Other: - 3/6/13

Appointed PD or appointed other counsel, \$47.12 requires \$500 be paid to Clerk during probation.

Presiding Judge Maddox, J. Cordell

Judge Code 2131

Sentence Date May 6, 2013





FILED

STATE OF SOUTH CAROLINA

OCT 08 2013

IN THE COURT OF GENERAL SESSIONS

COUNTY OF PICKENS

JAMES R. PARKS

STATE

CLERK, STATE GRAND JURY

INDICTMENT/CASE# 2011-GS-47-DB (Count III)

vs. Arthur M. Field

AKA: Race: W Sex: M Age: 60 DOB: April 24, 1963 SS#: 146-46-8092 Address: 310 Thornblade Blvd City, State, Zip: Greer, SC 29550 DL# F430053631440 SID#

AW#: Direct Presentment Date of Offense: 03/08/02-03/18/03 S.C. Code §: S.C. Code § 35-1-501 & § 35-1-508(a)(1) CDR Code #: 2815

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was CONVICTED OF or PLEADS TO:

Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more

In violation of S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2815

NON-VIOLENT VIOLENT SERIOUS MOST SERIOUS Mandatory GPS \$17-25-45

The charge is: As Indicted, Lesser Included Offense, Defendant Waives Presentment to Grand Jury, Negotiated Sentence, Recommendation by the State.

ATTEST: Attorney General 12155 SC Bar # Defendant Attorney for Defendant 12097 SC Bar #

WHEREFORE, the Defendant is committed to the State Department of Corrections County Detention Center, for a determinate term of 10 days/months/years or under the Youthful Offender Act not to exceed years and/or to pay a fine of \$ ; provided that upon the service of days/months/years and/or payment of \$ ; plus costs and assessments as applicable; the balance is suspended with probation for months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or CONSECUTIVE to sentence on: The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 days + 15 months House Arrest

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135. Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-95 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION: Deferred Def. Waives Hearing Ordered

PTUP days/hours Public Service Employment

Total: \$ plus 20% fee. \$

Payment Terms

Set by SCDPPPS

Obtain GED Attend Voc. Rehab. Or Job Corp.

Recipient:

May serve W/E beginning Substance Abuse Counseling

Table with 3 columns: Description, Amount, Total. Rows include: §14-1-206 (Assessments 107.5%), §14-1-211 (A)(1)(Conv. Surcharge) \$100, §14-1-211 (A)(2)(DUI Surcharge) \$100, §56-5-2995 (DUI Assessment) \$12, §56-1-288 (DUI Breath Test) \$25, Proviso 47.9 (Public Def/Prob) \$500, §14-1-212 (Law Enforce. Funding) \$25, §14-1-213 (Drug Court Surcharge) \$150, §50-21-114 (BUI Breath Test Fee) \$50, §56-5-2942(J) (Vehicle Assessment) \$40/ea, Proviso 90.5 (SCCJA Surcharge) \$5, 3% to County (if paid in installments) \$390, TOTAL \$13350

Random Drug/Alcohol Testing Fine may be pd. in equal consecutive weekly/monthly pmts. of \$ Beginning \$ Paid to Public Defender Fund

Other: 5/6/13

Appointed PD or appointed other counsel. \$47.12 requires \$500 be paid to Clerk during probation.

Clerk of Court/Deputy Clerk JAMES R. PARKS Court Reporter Vivian Cross

Presiding Judge Macdoux, J. Cordell Judge Code: 2131 Sentence Date May 6, 2013



**FILED**

STATE OF SOUTH CAROLINA  
COUNTY OF PICKENS

OCT 08 2013

IN THE COURT OF GENERAL SESSIONS

STATE

JAMES R. PARKS  
CLERK, STATE GRAND JURY

INDICTMENT/CASE# 2011-GS-47-08 (Count IV)

vs. Arthur M. Field

AKA:  
Race: W Sex: M Age: 60  
DOB: April 24 1953 SS#: 146-46-8092  
Address: 310 Thornblade Blvd  
City, State, Zip: Greer SC 29550  
DL# F430053631440 SID#  
\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

A/W#: Direct Presentment  
Date of Offense: 03/18/04-03/19/05  
S.C. Code §: S.C. Code § 35-1-501 & § 35-1-508(a)(1)  
CDR Code #: 2615

**SENTENCE SHEET**

In disposition of the said indictment comes now the Defendant who was  CONVICTED OF or  PLEADS

TO: Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more

In violation of § S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615

NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  \$17-25-45  
(CSC w/minor 1<sup>st</sup> or Lawd Act)

The charge is  As indicted,  Lesser included Offense,  Defendant Waives Presentment to Grand Jury, (def.'s Initials)  
The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST:

Attorney General 12155  
SC Bar #

Defendant

Attorney for Defendant 12097  
SC Bar #

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center,  
for a determinate term of 10 days/months/years or  under the Youthful Offender Act not to exceed \_\_\_\_\_ years  
and/or to pay a fine of \$ \_\_\_\_\_; provided that upon the service of \_\_\_\_\_ days/months/years and or payment  
of \$ \_\_\_\_\_, plus costs and assessments as applicable; the balance is suspended with probation for \_\_\_\_\_  
month/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are  
incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:  
The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State  
Department of Corrections. 33 days + 15 months home arrest

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-26-135.  
Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-65 (Criminal  
Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

**SPECIAL CONDITIONS:**

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered

PTUP

Total: \$ \_\_\_\_\_ plus 20% fee: \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ days/hours Public Service Employment

Payment Terms: \_\_\_\_\_

Obtain GED

Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp. \_\_\_\_\_

Recipient: \_\_\_\_\_

May serve W/E beginning  
Substance Abuse Counseling

| *Fine:                                 |         | \$               |
|----------------------------------------|---------|------------------|
| §14-1-206 (Assessments 107.5%)         |         | \$               |
| §14-1-211 (A)(1)(Conv. Surcharge)      | \$100   | \$ <u>100.00</u> |
| §14-1-211 (A)(2)(DUI Surcharge)        | \$100   | \$               |
| §58-5-2995 (DUI Assessment)            | \$12    | \$               |
| §58-1-286 (DUI Breath Test)            | \$25    | \$               |
| Proviso 47.9 (Public Def/Prob)         | \$500   | \$               |
| §14-1-212 (Law Enforce. Funding)       | \$25    | \$ <u>25.00</u>  |
| §14-1-213 (Drug Court Surcharge)       | \$150   | \$               |
| §50-21-114 (BUI Breath Test Fee)       | \$50    | \$               |
| §56-5-2942(J) (Vehicle Assessment)     | \$40/ea | \$               |
| Proviso 90.6 (SCJA Surcharge)          | \$5     | \$ <u>5.00</u>   |
| 3% to County (if paid in installments) |         | \$ <u>3.50</u>   |
| <b>TOTAL</b>                           |         | \$ <u>133.90</u> |

Random Drug/Alcohol Testing   
Fine may be pd. in equal consecutive weekly/monthly  
pmts. of \$ \_\_\_\_\_ Beginning  
\$ \_\_\_\_\_ Paid to Public Defender Fund

Other: - 5/6/13  
Plea Account  
- Depart 10/1/13 at 5:00 p.m.

Appointed PD or appointed other counsel,  
§47.12 requires \$500 be paid to Clerk  
during probation.

Clerk of Court/Deputy Clerk JAMES R. PARKS  
Court Reporter Vivian Cross

Presiding Judge Maddox, J. Cordell  
Judge Code: 2131  
Sentence Date May 6, 2013



FILED

STATE OF SOUTH CAROLINA

COUNTY OF PICKENS

OCT 08 2013

IN THE COURT OF GENERAL SESSIONS

STATE

vs.

JAMES R. PARKS  
CLERK, STATE GRAND JURY

INDICTMENT/CASE#. 2011-GS-47-08 (Count V)

Arthur M. Field

A/W#: Direct Presentment

AKA:

Date of Offense: 03/26/06-01/16/08

Race: W Sex: M Age: 60

S.C. Code § S.C. Code § 35-1-501 & § 35-1-508(a)(1)

DOB: April 24, 1953 SS#: 146-46-8092

CDR Code #: 2615

Address: 310 Thornblade Blvd

City, State, Zip: Greer SC 29550

DL# F430053631440 SID#

\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was  CONVICTED OF or  PLEADS

TO: Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more

In violation of § S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615

NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  \$17-25-45 (CSC w/minor 1<sup>st</sup> or Lewd Act)

The charge is:  As Indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury, (def.'s Initials)

The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST:

Attorney General

12155

SC Bar #

Defendant

Attorney for Defendant

12097

SC Bar #

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 10 days/months/years or  under the Youthful Offender Act not to exceed years and/or to pay a fine of \$ ; provided that upon the service of days/months/years and/or payment of \$ ; plus costs and assessments as applicable; the balance is suspended with probation for months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:

The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 days + 15 months house arrest

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-85 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered

PTUP

Total: \$ plus 20% fee: \$

days/hours Public Service Employment

Payment Terms:

Obtain GED

Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp.

Recipient

May serve W/E beginning

Substance Abuse Counseling

\*Fine:

|                                        |         |        |
|----------------------------------------|---------|--------|
| \$14-1-206 (Assessments 107.5%)        | \$      |        |
| \$14-1-211 (A)(1)(Conv. Surcharge)     | \$      | 100.00 |
| \$14-1-211 (A)(2)(DUI Surcharge)       | \$100   |        |
| \$68-5-2995 (DUI Assessment)           | \$12    |        |
| \$56-1-286 (DUI Breath Test)           | \$26    |        |
| Proviso 47.9 (Public Def/Prob)         | \$500   |        |
| \$14-1-212 (Law Enforce. Funding)      | \$25    | 85.00  |
| \$14-1-213 (Drug Court Surcharge)      | \$150   |        |
| \$50-21-114 (BUI Breath Test Fee)      | \$50    |        |
| \$56-5-2942(J) (Vehicle Assessment)    | \$40/ea |        |
| Proviso 90.5 (SCCJA Surcharge)         | \$5     | 5.00   |
| 3% to County (if paid in installments) | \$      |        |
| TOTAL                                  | \$      | 3.90   |
|                                        | \$      | 133.90 |

Random Drug/Alcohol Testing

Fine may be pd. in equal consecutive weekly/monthly

pmts. of \$ Beginning

\$ Paid to Public Defender Fund

Other: 5/6/13

Appointed PD or appointed other counsel, \$47.12 requires \$500 be paid to Clerk during probation.

Presiding Judge Max Cox, J. Cordell

Judge Code: 2131

Sentence Date May 6, 2013



FILED

STATE OF SOUTH CAROLINA

IN THE COURT OF GENERAL SESSIONS

COUNTY OF PICKENS

OCT 08 2013

STATE

JAMES R. PARKS  
CLERK, STATE GRAND JURY

INDICTMENT/CASE# 2011-GS-47-08 (Count VII)

vs.  
Arthur M. Field

AWW# Direct Presentment

AKA:

Date of Offense 03/17/03-03/18/04

Race: W Sex: M Age: 60

S.C. Code § S.C. Code § 35-1-501 & § 35-1-508(a)(1)

DOB: April 24, 1953 SS#: 146-46-8092

CDR Code #: 2615

Address: 310 Thornblade Blvd.

City, State, Zip: Greer, SC 29550

DL# F430053631440 SID#

\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was  CONVICTED OF or  PLEADS

TO: Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more

In violation of § S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615

NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  §17-25-45

The charge is:  As Indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury, (def.'s initials)

The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST:

Attorney General

12155

SC Bar #

Defendant

Attorney for Defendant

12097

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 10 days/months/years or  under the Youthful Offender Act not to exceed 20 years and/or to pay a fine of \$ plus costs and assessments as applicable; the balance is suspended with probation for 3 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:

The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 days + 15 months home arrest

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-65 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered

PTUP

Total \$ plus 20% fee: \$

days/hours Public Service Employment

Payment Terms:

Obtain GED

Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp.

Recipient:

May serve WE beginning

Substance Abuse Counseling

\*Fine:

|                                        |         |           |
|----------------------------------------|---------|-----------|
| \$14-1-206 (Assessments 107.5%)        | \$      |           |
| \$14-1-211 (A)(1)(Conv. Surcharge)     | \$100   | \$ 100.00 |
| \$14-1-211 (A)(2)(DUI Surcharge)       | \$100   | \$        |
| \$56-6-2995 (DUI Assessment)           | \$12    | \$        |
| \$56-1-286 (DUI Breath Test)           | \$25    | \$ 25.00  |
| Proviso 47.9 (Public Def/Prob)         | \$500   | \$        |
| \$14-1-212 (Law Enforce. Funding)      | \$25    | \$        |
| \$14-1-213 (Drug Court Surcharge)      | \$160   | \$        |
| \$50-21-114 (BUI Breath Test Fee)      | \$50    | \$        |
| \$56-5-2942(J) (Vehicle Assessment)    | \$40/ea | \$        |
| Proviso 90.5 (SCCJA Surcharge)         | \$5     | \$ 5.00   |
| 3% to County (if paid in installments) |         | \$ 3.90   |
| TOTAL                                  |         | \$ 133.90 |

Random Drug/Alcohol Testing

Fine may be pd. in equal consecutive weekly/monthly

pmts. of \$ Beginning

\$ Paid to Public Defender Fund

Other: 5/6/13

Appointed PD or appointed other counsel.

\$47.12 requires \$500 be paid to Clerk

during probation.

Clerk of Court/Deputy Clerk JAMES R. PARKS

Court Reporter: Vivian Cross

Presiding Judge Maddox, J. Cordell

Judge Code: 2181

Sentence Date May 6, 2013





**FILED**

STATE OF SOUTH CAROLINA  
COUNTY OF PICKENS

OCT 08 2013

IN THE COURT OF GENERAL SESSIONS

STATE JAMES R. PARKS  
vs. CLERK, STATE GRAND JURY

INDICTMENT/CASE# 2011-GS-47-08 (Count VII)

AKA: Arthur M. Field  
Race: W Sex: M Age: 60  
DOB: April 24 1953 SS#: 146-46-8092  
Address: 310 Thornblade Blvd  
City, State, Zip: Greer, SC 29550  
DL# F430053631440 SID#

AW#: Direct Presentment  
Date of Offense: 03/19/04-03/18/06  
S.C. Code §: S.C. Code § 35-1-501 & § 35-1-508(a)(1)  
CDR Code #: 2615

**SENTENCE SHEET**

In disposition of the said indictment comes now the Defendant who was  CONVICTED OF or  PLEADS TO: Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more  
In violation of § S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615  
 NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  \$17-25-45 (CSC w/minor 1<sup>st</sup> or Lewd Act)

The charge is:  As Indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury. (def.'s initials)  
The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST: [Signature] 12155 SC Bar # [Signature] 12097  
Attorney General Defendant Attorney for Defendant SC Bar #

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 10 days/months/years or  under the Youthful Offender Act not to exceed 20 years and/or to pay a fine of \$ 2000; plus costs and assessments as applicable; the balance is suspended with probation for 3 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on.  
 The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 days + 15 months have arrest  
 The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 18-25-20 or 18-25-65 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

**SPECIAL CONDITIONS:**

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered PTUP \_\_\_\_\_

Total: \$ \_\_\_\_\_ plus 20% fee: \$ \_\_\_\_\_ days/hours Public Service Employment

Payment Terms: \_\_\_\_\_ Obtain GED

Set by SCDPPPS Attend Voc. Rehab. Or Job Corp. \_\_\_\_\_

Recipient: \_\_\_\_\_ May serve W/E beginning \_\_\_\_\_

\*Fines: \_\_\_\_\_ Substance Abuse Counseling

§14-1-208 (Assessments 107.5%) \$ \_\_\_\_\_ Random Drug/Alcohol Testing

§14-1-211 (A)(1)(Conv. Surcharge) \$100 \$ 100.00 Fine may be pd. in equal consecutive weekly/monthly

§14-1-211 (A)(2)(DUI Surcharge) \$100 \$ \_\_\_\_\_ pmts. of \$ \_\_\_\_\_ Beginning \_\_\_\_\_

§58-5-2995 (DUI Assessment) \$12 \$ \_\_\_\_\_ \$ \_\_\_\_\_ Paid to Public Defender Fund

§58-1-286 (DUI Breath Test) \$25 \$ \_\_\_\_\_ Other: - 5/6/13

Proviso 47.9 (Public Def/Prob) \$500 \$ \_\_\_\_\_ Area accepted

§14-1-212 (Law Enforce. Funding) \$25 \$ 25.00 Requit 10/11/13 at 5:00pm

§14-1-213 (Drug Court Surcharge) \$150 \$ \_\_\_\_\_ ACB

§50-21-114 (BUI Breath Test Fee) \$50 \$ \_\_\_\_\_  Appointed PD or appointed other counsel, \$47.12 requires \$500 be paid to Clerk during probation

§58-5-2942(J) (Vehicle Assessment) \$40/ea \$ \_\_\_\_\_ Presiding Judge Maddox, J. Cordell

Proviso 80.6 (SCCJA Surcharge) \$5 \$ 5.00 Judge Code: 2131

3% to County (if paid in installments) \$ \_\_\_\_\_ Sentence Date May 6, 2013

TOTAL \$ 133.90

Clerk of Court/Deputy Clerk JAMES R. PARKS

Court Reporter: Vivian Cross



FILED

STATE OF SOUTH CAROLINA  
COUNTY OF PICKENS

OCT 08 2013

IN THE COURT OF GENERAL SESSIONS

STATE

JAMES R. PARKS  
CLERK, STATE GRAND JURY

INDICTMENT/CASE#: 2011-GS-47-08 (Count VIII)

vs.

Arthur M. Field  
AKA:  
Race: W Sex: M Age: 60  
DOB: April 24, 1953 SS#: 146-46-8092  
Address: 310 Thornblade Blvd  
City, State, Zip: Greer, SC 29550  
DL# F430053631440 SID#

A/W#: Direct Presentment  
Date of Offense: 03/19/05-03/21/08  
S.C. Code §: S.C. Code § 35-1-501 & § 35-1-508(a)(1)  
CDR Code #: 2615

SENTENCE SHEET

\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

In disposition of the said indictment comes now the Defendant who was  CONVICTED OF or  PLEADS TO: Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more

In violation of § S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615  
 NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  §17-25-45 (CSC w/minor 1<sup>st</sup> or Lewd Act)

The charge is:  As Indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury. (def.'s initials)  
The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST: *[Signature]* 12155 SC Bar # *[Signature]* 12097 SC Bar #  
Attorney General Defendant Attorney for Defendant

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 10 days/months/years or  under the Youthful Offender Act not to exceed 3 years and/or to pay a fine of \$ 25,000, provided that upon the service of 25 days/months/years and/or payment of \$ 25,000; plus costs and assessments as applicable\*; the balance is suspended with probation for 3 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:  
 The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 day + 15 mon. have credit + 15 months

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.  
Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-65 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered PTUP \_\_\_\_\_  
Total: \$ \_\_\_\_\_ plus 20% fee: \$ \_\_\_\_\_ days/hours Public Service Employment

Payment Terms: \_\_\_\_\_ Obtain GED   
 Set by SCDPPPS Attend Voc. Rehab. Or Job Corp. \_\_\_\_\_

Recipient: \_\_\_\_\_ May serve WE beginning Substance Abuse Counseling

\*Fines: \_\_\_\_\_  
§14-1-208 (Assessments 107.5%) \$ \_\_\_\_\_  
§14-1-211 (A)(1)(Conv. Surcharge) \$100 \$ 100.00  
§14-1-211 (A)(2)(DUI Surcharge) \$100 \$ \_\_\_\_\_  
§58-5-2995 (DUI Assessment) \$12 \$ \_\_\_\_\_  
§66-1-286 (DUI Breath Test) \$26 \$ \_\_\_\_\_  
Proviso 47.9 (Public Def/Prob) \$500 \$ \_\_\_\_\_  
§14-1-212 (Law Enforce. Funding) \$25 \$ \_\_\_\_\_  
§14-1-213 (Drug Court Surcharge) \$150 \$ 25.00  
§50-21-114 (BUI Breath Test Fee) \$50 \$ \_\_\_\_\_  
§58-5-2942(J) (Vehicle Assessment) \$40/ea \$ \_\_\_\_\_  
Proviso 90.5 (SCJA Surcharge) \$5 \$ 5.00  
3% to County (if paid in installments) \$ \_\_\_\_\_ \$ 3.90  
TOTAL \$ 133.90

Random Drug/Alcohol Testing   
Fine may be pd. in equal consecutive weekly/monthly pmts. of \$ \_\_\_\_\_ Beginning \$ \_\_\_\_\_ Paid to Public Defender Fund

Other: 5/6/13

- Plea accepted  
- Report 10/11/13 at 5:00

Appointed PD or appointed other counsel, \$47.12 requires \$500 be paid to Clerk during probation.

Presiding Judge Madrox, J. Cordell  
Judge Code: 2131  
Sentence Date May 6, 2013

Clerk of Court/Deputy Clerk JAMES R. PARKS  
Court Reporter Vivian Cross



FILED

OCT 08 2013

STATE OF SOUTH CAROLINA  
COUNTY OF PICKENS

JAMES R. PARKS  
CLERK, STATE GRAND JURY

IN THE COURT OF GENERAL SESSIONS

STATE

VS

INDICTMENT/CASE#: 2011-GS-47-08 (Count IX)

Arthur M. Field

AW#: Direct Presentment

AKA

Date of Offense: 02/15/05

Race W

Sex M

Age: 60

S.C. Code § 16-13-0010(A) & § 16-13-0010(B) SW

DOB: April 24, 1953

SS#: 146-46-8092

CDR Code # 3437 0488 SW

Address: 310 Thornblada Blvd.

City, State, Zip: Greer SC 29550

DL# F430053631440

\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was

CONVICTED OF or  PLEAS

TO: Forgery - ~~Parole value \$10,000~~ NO DOLLAR AMOUNT SCRW TRUCK

In violation of § 16-13-0010(A) & 16-13-0010 (B)(1) of the S.C. Code of Laws, bearing CDR Code # 3437 0488 SW

NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  \$17-25-45

The charge is:  As indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury, (def.'s initials)  
The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST:

Attorney General 12155 SC Bar # 12097  
Attorney for Defendant 26 months SC Bar #

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 3 days/months/years or  under the Youthful Offender Act not to exceed 3 years and/or to pay a fine of \$ plus costs and assessments as applicable\*, the balance is suspended with probation for 3 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:  
 The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 days + 18 months Home Ave  
 The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.  
Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-66 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered PTUP

Total: \$ plus 20% fee: \$ days/hours Public Service Employment

Payment Terms: Obtain GED

Set by SCDPPPS Attend Voc. Rehab. Or Job Corp. \_\_\_\_\_

Recipient: May serve W/E beginning \_\_\_\_\_

\*Fine: Substance Abuse Counseling

\$14-1-208 (Assessments 107.5%) \$

\$14-1-211 (A)(1)(Conv. Surcharge) \$100 \$ 100.00

\$14-1-211 (A)(2)(DUI Surcharge) \$100 \$

\$56-5-2996 (DUI Assessment) \$12 \$

\$56-1-286 (DUI Breath Test) \$25 \$

Proviso 47.9 (Public Def/Prob) \$500 \$

\$14-1-212 (Law Enforce. Funding) \$25 \$ 25.00

\$14-1-213 (Drug Court Surcharge) \$150 \$

\$50-21-114 (BUI Breath Test Fee) \$50 \$

\$56-5-2942(J) (Vehicle Assessment) \$40/ea \$

Proviso 90.5 (SCCJA Surcharge) \$5 \$ 5.00

3% to County (If paid in installments) \$ \$ 3.90

TOTAL \$ 133.90

Clerk of Court/Deputy Clerk JAMES R. PARKS  
Court Reporter: Vivian Cross

Presiding Judge Maddox, J. Cordell

Judge Code: 2131

Sentence Date May 6, 2013



FILED

STATE OF SOUTH CAROLINA

OCT 08 2013

IN THE COURT OF GENERAL SESSIONS

COUNTY OF PICKENS

JAMES R. PARKS

STATE

CLERK, STATE GRAND JURY

INDICTMENT/CASE# 2011-GS-47-08 (Count X)

vs. Arthur M. Field

AKA

Recd. W Sex. M Age: 60

DOB: April 24, 1953 SS#: 146-46-8092

Address: 310 Thornblade Blvd

City, State, Zip: Greer, SC 29550

DL# F430053631440 SID#

\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

AW#: Direct Presentment

Date of Offense: 03/19/04-03/18/05

S.C. Code § S.C. Code § 35-1-501 & § 35-1-508(a)(1)

CDR Code #: 2615

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was  CONVICTED OF or  PLEADS

TO: Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more

In violation of § S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615

NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  \$17-25-45 (CSC w/minor 1<sup>st</sup> or Lewd Act)

The charge is:  As Indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury, (def.'s initials)  Negotiated Sentence,  Recommendation by the State.

ATTEST:

Attorney General

12155 SC Bar #

Defendant

Attorney for Defendant

12097 SC Bar #

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 10 days/months/years or  under the Youthful Offender Act not to exceed 20 years and/or to pay a fine of \$ 20; provided that upon the service of 20 days/months/years and or payment of \$ 20; plus costs and assessments as applicable; the balance is suspended with probation for 3 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:

The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 days + 15 months + minor + 15 months

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 18-25-20 or 18-25-65 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered

PTUP

Total: \$ plus 20% fee: \$

days/hours Public Service Employment

Payment Terms:

Obtain GED

Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp.

Recipient:

May serve W/E beginning

Substance Abuse Counseling

\*Fine:

|                                        |         |         |
|----------------------------------------|---------|---------|
| \$14-1-206 (Assessments 107.5%)        | \$      |         |
| \$14-1-211 (A)(1)(Conv. Surcharge)     | \$      |         |
| \$14-1-211 (A)(2)(DUI Surcharge)       | \$100   | 100.00  |
| \$56-5-2995 (DUI Assessment)           | \$12    |         |
| \$56-1-266 (DUI Breath Test)           | \$26    |         |
| Proviso 47.9 (Public Def/Prob)         | \$500   |         |
| \$14-1-212 (Law Enforce. Funding)      | \$25    | 25.00   |
| \$14-1-213 (Drug Court Surcharge)      | \$160   |         |
| \$50-21-114 (BUI Breath Test Fee)      | \$50    |         |
| \$56-5-2942(J) (Vehicle Assessment)    | \$40/ea |         |
| Proviso 90.6 (SCCJA Surcharge)         | \$5     | 5.00    |
| 3% to County (if paid in installments) | \$      | 3.90    |
| TOTAL                                  | \$      | 1339.00 |

Random Drug/Alcohol Testing

Fine may be pd. in equal consecutive weekly/monthly

pmts. of \$ Beginning

\$ Paid to Public Defender Fund

Other: Plan accepted 5/6/13

- Report of 10/11/13 5:00pm

Appointed PD or appointed other counsel, \$47.12 requires \$500 be paid to Clerk during probation

Presiding Judge Maddox, J. Cordall

Judge Code 2131

Sentence Date May 6, 2013





FILED

STATE OF SOUTH CAROLINA  
COUNTY OF PICKENS

JUL 08 2013

IN THE COURT OF GENERAL SESSIONS

JAMES R. PARKS  
CLERK, STATE GRAND JURY

STATE vs. Arthur M. Field

INDICTMENT/CASE# 2011-GS-47-0B (Count XI)

AKA: \_\_\_\_\_  
Race W Sex M Age 60  
DOB: April 24, 1953 SS#: 146-46-8092  
Address: 310 Thornblade Blvd  
City, State, Zip: Greer, SC 29550  
DL# F430053631440 SID# \_\_\_\_\_  
\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

AW#: Direct Presentment  
Date of Offense 03/19/06-03/21/08  
S.C. Code § S.C. Code § 35-1-501 & § 35-1-508(a)(1)  
CDR Code # 2615

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was  CONVICTED OF or  PLEADS TO. Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more  
In violation of § S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615  
 NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  §17-25-45 (CSC w/minor 1<sup>st</sup> or Lewd Act)

The charge is  As Indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury. (def.'s initials)  
The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST: [Signature] 12155 [Signature] 12097  
Attorney General SC Bar # Defendant Attorney for Defendant SC Bar #

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 10 days/months/years or  under the Youthful Offender Act not to exceed \_\_\_\_\_ years and/or to pay a fine of \$ \_\_\_\_\_; provided that upon the service of 20 days/months/years and/or payment of \$ \_\_\_\_\_ plus costs and assessments as applicable\*, the balance is suspended with probation for 3 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on  
 The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State Department of Corrections. 33 days + 15 mos have credit for this matter  
 The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 18-26-66 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:  
 RESTITUTION:  Deferred  Def. Waives Hearing  Ordered PTUP \_\_\_\_\_  
Total \$ \_\_\_\_\_ plus 20% fee \$ \_\_\_\_\_ days/hours Public Service Employment

Payment Terms: \_\_\_\_\_ Obtain GED   
 Set by SCDPPPS Attend Voc. Rehab. Or Job Corp. \_\_\_\_\_

Recipient: \_\_\_\_\_ May serve W/E beginning  
Substance Abuse Counseling

| *Fine                                  |         | \$        |
|----------------------------------------|---------|-----------|
| \$14-1-206 (Assessments 107.5%)        |         | \$        |
| \$14-1-211 (A)(1)(Conv. Surcharge)     | \$100   | \$        |
| \$14-1-211 (A)(2)(DUI Surcharge)       | \$100   | \$        |
| \$56-5-2995 (DUI Assessment)           | \$12    | \$        |
| \$56-1-288 (DUI Breath Test)           | \$25    | \$        |
| Proviso 47.9 (Public Def/Prob)         | \$500   | \$        |
| \$14-1-212 (Law Enforce. Funding)      | \$25    | \$        |
| \$14-1-213 (Drug Court Surcharge)      | \$150   | \$        |
| \$50-21-114 (BUI Breath Test Fee)      | \$50    | \$        |
| \$56-5-2942(J) (Vehicle Assessment)    | \$40/ea | \$        |
| Proviso 90.5 (SCCJA Surcharge)         | \$5     | \$        |
| 3% to County (If paid in installments) |         | \$        |
| TOTAL                                  |         | \$ 153.90 |

Random Drug/Alcohol Testing   
Fine may be pd. in equal consecutive weekly/monthly pmts. of \$ \_\_\_\_\_ Beginning \$ \_\_\_\_\_ Paid to Public Defender-Fund

Other: May accept 5/6/13  
10/11/13 \$500 per

Appointed PD or appointed other counsel. \$47.12 requires \$500 be paid to Clerk during probation.

Presiding Judge Madrox, J. Cordell  
Judge Code 2231  
Sentence Date May 6, 2013



FILED

STATE OF SOUTH CAROLINA

OCT 08 2013

IN THE COURT OF GENERAL SESSIONS

COUNTY OF PICKENS

JAMES R. PARKS

STATE

CLERK, STATE GRAND JURY

INDICTMENT/CASE# 2011-GS-47-08 (Count XII)

vs.

Arthur M. Field

AW#: Direct Presentment

AKA:

Date of Offense: 03/21/06-01/08

Race: W Sex: M Age: 60

S.C. Code §: S.C. Code § 35-1-501 & § 35-1-508(a)(1)

DOB: April 24, 1953 SS#: 146-46-8092

CDR Code #: 2615

Address: 310 Thornblade Blvd

City, State, Zip: Greer, SC 29550

DL# F430053631440 SID#

\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was  CONVICTED OF or  PLEADS

TO: Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more

In violation of § S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615

NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  \$17-25-45 (CSC w/minor 1<sup>st</sup> or Lewd Act)

The charge is:  As indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury (def.'s initials)  Negotiated Sentence,  Recommendation by the State.

The plea is:  Without Negotiations or Recommendation,  Recommended by the State.

ATTEST:

Attorney General 12155 SC Bar # Defendant Attorney for Defendant 12097 SC Bar #

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center, for a determinate term of 10 days/months/years or  under the Youthful Offender Act not to exceed years and/or to pay a fine of \$ provided that upon the service of 20 days/months/years and/or payment of \$ plus costs and assessments as applicable; the balance is suspended with probation for 3 months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:  The Defendant is to be given credit for time served pursuant to S.C. Code §24-15-40 to be calculated and applied by the State Department of Corrections. 33 days + 16 months. h.m.w. m.m.w.

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-86 (Criminal Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered

PTUP

Total: \$ plus 20% fee. \$

days/hours Public Service Employment

Payment Terms.

Obtain GED

Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp.

Recipient.

May serve W/E beginning

Substance Abuse Counseling

\*Fine.

|                                        |         |            |
|----------------------------------------|---------|------------|
| \$14-1-206 (Assessments 107.5%)        | \$      |            |
| \$14-1-211 (A)(1)(Conv. Surcharge)     | \$100   | \$ 100.00  |
| \$14-1-211 (A)(2)(DUI Surcharge)       | \$100   |            |
| \$56-5-2895 (DUI Assessment)           | \$12    |            |
| \$56-1-286 (DUI Breath Test)           | \$25    |            |
| Proviso 47.9 (Public Def/Prob)         | \$500   |            |
| \$14-1-212 (Law Enforce. Funding)      | \$25    | \$ 25.00   |
| \$14-1-213 (Drug Court Surcharge)      | \$150   |            |
| \$50-21-114 (BUI Breath Test Fee)      | \$50    |            |
| \$56-5-2942(J) (Vehicle Assessment)    | \$40/ea |            |
| Proviso 90.5 (SCCJA Surcharge)         | \$5     | \$ 5.00    |
| 3% to County (if paid in installments) |         | \$ 3.90    |
| TOTAL                                  | \$      | \$ 1339.00 |

Random Drug/Alcohol Testing

Fine may be pd. in equal consecutive weekly/monthly

mnts. of \$ Beginning

\$ Paid to Public Defender Fund

Other: Plea 5/6/13

acceptance

- 10/8/13 5:00 PM ACJC

Appointed PD or appointed other counsel. \$47.12 requires \$500 be paid to Clerk during probation.

Presiding Judge Madrox, J. Cordell

Judge Code 2131

Sentence Date May 6, 2013

Clerk of Court/Deputy Clerk JAMES R. PARKS  
Court Reporter: Vivian Cross



FILED

STATE OF SOUTH CAROLINA  
COUNTY OF PICKENS

OCT 08 2013

IN THE COURT OF GENERAL SESSIONS

STATE

JAMES R. PARKS  
CLERK, STATE GRAND JURY

INDICTMENT/CASE#: 2011-GS-47-08 (Count XIII)

vs. Arthur M. Field

AKA  
Race W Sex M Age 60  
DOB: April 24 1953 SS# 146-46-8092  
Address: 310 Thornblade Blvd  
City, State, Zip Greer SC 29550  
DL# F430053631440 SID#  
\*CDL Yes  No  CMV Yes  No  Hazmat Yes  No

AWW: Direct Presentment  
Date of Offense 11/08/06-03/21/07  
S.C. Code § S.C. Code § 35-1-501 & § 35-1-508(a)(1)  
CDR Code #: 2615

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was  CONVICTED OF or  PLEADS

TO: Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more

In violation of § S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615

NON-VIOLENT  VIOLENT  SERIOUS  MOST SERIOUS  Mandatory GPS  §17-25-45  
(CSC w/minor 1<sup>st</sup> or Lewd Act)

The charge is  As indicted,  Lesser Included Offense,  Defendant Waives Presentment to Grand Jury. (def.'s Initials)  
The plea is:  Without Negotiations or Recommendation,  Negotiated Sentence,  Recommendation by the State.

ATTEST:

Attorney General

12155

SC Bar #

Defendant

Attorney for Defendant

12097

SC Bar #

WHEREFORE, the Defendant is committed to the  State Department of Corrections  County Detention Center,  
for a determinate term of 10 days/months/years or  under the Youthful Offender Act not to exceed 20 years  
and/or to pay a fine of \$ 200; provided that upon the service of 20 days/months/years and or payment  
of \$ 200, plus costs and assessments as applicable; the balance is suspended with probation for 5  
months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are  
incorporated by reference.

CONCURRENT or  CONSECUTIVE to sentence on:  
 The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State  
Department of Corrections. 33 days + 15 mos. house arrest

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.

Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-26-20 or 16-26-85 (Criminal  
Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION:  Deferred  Def. Waives Hearing  Ordered

PTUP

Total: \$ \_\_\_\_\_ plus 20% fee: \$ \_\_\_\_\_

\_\_\_\_\_ days/hours Public Service Employment

Payment Terms: \_\_\_\_\_

Obtain GED

Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp. \_\_\_\_\_

Recipient: \_\_\_\_\_

May serve WE beginning  
Substance Abuse Counseling

|                                        |         |           |
|----------------------------------------|---------|-----------|
| *Fine:                                 | \$      |           |
| §14-1-206 (Assessments 107.5%)         | \$      |           |
| §14-1-211 (A)(1)(Conv. Surcharge)      | \$100   | \$ 100.00 |
| §14-1-211 (A)(2)(DUI Surcharge)        | \$100   |           |
| §56-5-2995 (DUI Assessment)            | \$12    |           |
| §56-1-286 (DUI Breath Test)            | \$25    |           |
| Proviso 47.9 (Public Def/Prob)         | \$500   |           |
| §14-1-212 (Law Enforce. Funding)       | \$25    | \$ 25.00  |
| §14-1-213 (Drug Court Surcharge)       | \$150   |           |
| §60-21-114 (BUI Breath Test Fee)       | \$50    |           |
| §56-5-2942(J) (Vehicle Assessment)     | \$40/ea |           |
| Proviso 90.5 (SCCJA Surcharge)         | \$5     | \$ 5.00   |
| 3% to County (if paid in installments) |         | \$ 3.90   |
| TOTAL                                  | \$      | \$ 133.90 |

Random Drug/Alcohol Testing   
Fine may be pd. in equal consecutive weekly/monthly  
pmts. of \$ \_\_\_\_\_ Beginning \_\_\_\_\_  
\$ \_\_\_\_\_ Paid to Public Defender Fund

Other - Plan accepted

5/6/13

- 10/11/13 at 5:00 pm

Appointed PD or appointed other counsel, ACD  
§47.12 requires \$500 be paid to Clerk  
during probation.

Clerk of Court/Deputy Clerk JAMES R. PARKS  
Court Reporter Vivian Cross

Presiding Judge Maddox, J. Gordell  
Judge Code: 2131  
Sentence Date May 6, 2013



FILED

STATE OF SOUTH CAROLINA

OCT 08 2013

IN THE COURT OF GENERAL SESSIONS

COUNTY OF PICKENS

JAMES R. PARKS

STATE

CLERK, STATE GRAND JURY

INDICTMENT/CASE#: 2011-GS-47-08 (Count XIV)

vs. Arthur M. Field

AKA:
Race: W Sex: M Age: 60
DOB: April 24, 1953 SS#: 146-46-8092
Address: 310 Thornblade Blvd
City, State, Zip: Greer, SC 29550
DL# F430053631440 SID#

AWW: Direct Presentation
Date of Offense: 03/22/07-01/15/08
S.C. Code §: S.C. Code § 35-1-501 & § 35-1-508(a)(1)
CDR Code #: 2615

SENTENCE SHEET

In disposition of the said indictment comes now the Defendant who was CONVICTED OF or PLEADS

TO: Securities / Violations of Uniform Securities Act resulting in loss of \$20,000 or more

In violation of S.C. Code § 35-1-501 & § 35-1-508(a)(1) of the S.C. Code of Laws, bearing CDR Code # 2615

NON-VIOLENT VIOLENT SERIOUS MOST SERIOUS Mandatory GPS §17-25-45
(CSC w/minor 1st or Lewd Act)

The charge is: As indicted, Lesser Included Offense, Defendant Waives Presentation to Grand Jury, (def.'s Initials)
The plea is: Without Negotiations or Recommendation, Negotiated Sentence, Recommendation by the State.

ATTEST:

Attorney General

12155

SC Bar #

Defendant

Attorney for Defendant

12077

SC Bar #

WHEREFORE, the Defendant is committed to the State Department of Corrections County Detention Center,
for a determinate term of 10 days/months/years or under the Youthful Offender Act not to exceed years
and/or to pay a fine of \$; provided that upon the service of 20 days/months/years and or payment
of \$ plus costs and assessments as applicable, the balance is suspended with probation for 3
months/years and subject to South Carolina Department of Probation, Parole and Pardon Services standard conditions of probation, which are
incorporated by reference.

CONCURRENT or CONSECUTIVE to sentence on.
The Defendant is to be given credit for time served pursuant to S.C. Code §24-13-40 to be calculated and applied by the State
Department of Corrections. 33 days + 15 months. have arrest

The Defendant is to be placed on Central Registry of Child Abuse and Neglect pursuant to S.C. Code §17-25-135.
Pursuant to 18 U.S.C. Section 922, it is unlawful for a person convicted of a violation of Section 16-25-20 or 16-25-85 (Criminal
Domestic Violence) to ship, transport, possess, or receive a firearm or ammunition.

SPECIAL CONDITIONS:

RESTITUTION: Deferred Def. Waives Hearing Ordered

PTUP

Total: \$ plus 20% fee. \$

days/hours Public Service Employment

Payment Terms

Obtain GED

Set by SCDPPPS

Attend Voc. Rehab. Or Job Corp.

Recipient

May serve WE beginning

Substance Abuse Counseling

\*Fine.

Table with 3 columns: Description, Amount, Total. Includes items like Assessments 107.5%, Conv. Surcharge, DUI Assessment, etc. Total: 13390.

Random Drug/Alcohol Testing

Fine may be pd. in equal consecutive weekly/monthly

pmts. of \$ Beginning

\$ Paid to Public Defender Fund

Other: - Phen arrest

Appointed PD or appointed other counsel, \$47.12 requires \$500 be paid to Clerk during probation.

Clerk of Court/Deputy Clerk: JAMES R. PARKS
Court Reporter: Vivian Cross

Presiding Judge: Maddox, J. Gendall

Judge Code: 2181

Sentence Date: May 6, 2013







STATE GRAND JURY OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA

Case No. 2012GS 47 08

v.

INDICTMENT FOR CONSPIRACY,  
SECURITIES FRAUD, AND FORGERY

ARTHUR M. FIELD and FREDRICK  
SCOTT PFEIFFER,

**FILED**

Defendants.

JUN 13 2012

JAMES R. PARKS  
CLERK, STATE GRAND JURY

At a session of the State Grand Jury of South Carolina, convened in Columbia, South Carolina, on June 13, 2012, the State Grand Jurors present upon their oath and charge as follows:

**BACKGROUND**

At times material to this Indictment:

1. ARTHUR M. FIELD ("FIELD") is an attorney who first was licensed by New Jersey in 1977 and by Connecticut in 1978. He managed a commodities fund at one time, and engaged in a legal practice that included real estate and business law. In the 80s, FIELD passed the examinations to receive from the Financial Industry Regulatory Authority (FINRA) a Securities Series 3 license, a Securities Series 7 license, and a Securities Series 63 license. Indeed, FIELD has referred to himself as a securities law expert. FIELD moved to South Carolina in the late 90s, and received a Ph.D in management science from Clemson. He has never been a licensed attorney in this State. Kathryn Taillon is FIELD's wife. Davyd Field is FIELD's son.

2. FREDRICK SCOTT PFEIFFER ("PFEIFFER") is an attorney in South

Carolina who was first licensed in 1993. His first job with a law firm was with Nelson, Mullins, Riley, and Scarborough, LLP, where he engaged in a sophisticated corporate practice. In 1999, he left Nelson, Mullins, Riley, and Scarborough, LLP and formed his own firm, to engage in a "general corporate law firm for entrepreneurially owned businesses".

#### FORMATION OF LRI AND CIF

3. Elliot Salzman was a mortgage broker in the northeast United States who was in the business of buying and selling foreclosed properties. He befriended ARTHUR FIELD, who handled closings and other legal work for Salzman's transactions.

4. At some point in time in the late 1990s, FIELD and Elliot Salzman found a commercial property for sale in Ridgefield Park, New Jersey. FIELD and Salzman put together a group of shareholders to form a company named Wiltshire to purchase and develop this property. The group they approached included Robert L'Abbate, a real estate broker Elliot Salzman had met during Salzman's real estate transactions; Dr. Stuart Katz, an oral surgeon who had been loaning money to Salzman for use in Salzman's real estate ventures; Martin Ender, an accountant in the firm of Want and Ender who did accounting for Elliot Salzman, and Dr. Jim Caserta, a dentist for whom FIELD had done legal work.

5. At some point in the late 1990s, FIELD became aware of Homegold Financial, which was the parent company of a South Carolina entity named Carolina Investors, Inc., which raised money for its parent by selling securities to South Carolina investors.

6. FIELD and Elliot Salzman arranged a meeting in New Jersey with the Wiltshire group to pitch to them the idea of forming a similar business like Homegold and Carolina Investors, whereby money would be raised from South Carolina investors and

then sent to the parent company in New Jersey for relending and real estate development. FIELD had prepared a prospectus for the proposed South Carolina entity which he based on the prospectus issued by Carolina Investors.

7. The other members of LRI agreed. Accordingly, Lancaster Resources, Incorporated ("LRI") was a New Jersey corporation that was formed on November 19<sup>th</sup>, 1998, by filing with the New Jersey State Treasurer. The director and registered agent was listed as Elliot Salzman.

8. LRI held its organizational meeting of the first Board of Directors on February 24<sup>th</sup>, 1999. The shareholders and directors of LRI were the following: Elliot S. Salzman, Dr. James Caserta, Martin Ender, Stuart Katz, Matthew A. Glassman, Dyanna Darrigan, and Defendant FIELD. FIELD was elected Chairman of the Board and Salzman was elected President and Chief Executive Officer of LRI.

9. The minutes of this February 24<sup>th</sup>, 1999 meeting reflect that LRI was to "engage in the business of operating a mortgage bank, lending funds it has borrowed or raised, acquiring, developing, managing and selling properties, and any other legal acts which a corporation may pursue within or without the State of New Jersey."

10. The minutes of this February 24<sup>th</sup>, 1999 meeting also reflect that LRI was to "acquire controlling interests of one or more other businesses to be used to further the business interests of the Corporation, from time to time", and that LRI also was to "enter into a relationship with Capital Investment Funding, LLC, a South Carolina limited liability company, and shall own 90% thereto, and shall borrow funds from such company and enter into repayment agreements, as the officers of the two companies deem prudent."

11. The South Carolina entity formed pursuant to this business plan developed

by FIELD and Salzman was ultimately named Capital Investment Funding, LLC ("CIF"). It was a South Carolina limited liability company with its main office located in the town of Easley, in Pickens County, South Carolina. CIF had branch offices in Greenville County, Charleston County, and Horry County.

12. CIF was formed by a filing with the South Carolina Secretary of State on January 13<sup>th</sup>, 1999, under the name "Carolina Investment Funding, LLC". Defendant FIELD and Elliot S. Salzman signed the form as organizers of CIF. FIELD was listed as the agent for service.

13. The minutes reflect the initial incorporators meeting for CIF took place on February 25, 1999. The interim directors were Stuart Katz, Martin Ender, Robert L'Abbate, FIELD, FIELD's wife Kathryn Taillon, and Elliot S. Salzman. LRI owned more than 90% of the CIF membership interest, with relatively small amounts of membership interest going to Kathryn Taillon, Brad Kelly, and each of the directors LRI individually.

14. Again, FIELD told individuals he got the idea for CIF from a different company, Carolina Investors, Inc., which raised money from South Carolina investors for its parent HomeGold. Indeed, Homegold and Carolina Investors, Inc., objected to the CIF's use of the name "Carolina Investment Funding" as being too similar, which resulted in CIF changing its name to "Capital Investment Funding".

15. On February 26, 1999, FIELD signed Form U-1, Uniform Application to Register Securities, which was submitted to the South Carolina Securities Division ("Securities Division") in connection with its application to register securities of up to \$4,000,000. (1477)

16. CIF issued a prospectus dated April 1, 1999 for the distribution to residents

of South Carolina for securities in the form of promissory notes ("99 Prospectus"). These included an offering of \$1,000,000 in "Series A, 6% Subordinated One Year Debentures", and \$3,000,000 in "Series 99 Floating Rate Notes". This prospectus, and its subsequent amendment, were filed with the Securities Division, and the issuance was subject to the provisions of the Uniform Securities Act of South Carolina. The Securities Division registered the offering on March 19, 1999.

17. CIF then began selling promissory notes to investors in South Carolina. The sale of these notes and all subsequent CIF notes and renewals constitutes the sale of securities under the statutory law of the State of South Carolina.

18. During this period of time, FIELD, who now lived in South Carolina, primarily controlled as co-manager of CIF the business activities of CIF in South Carolina. Elliot Salzman as President and CEO of LRI primarily controlled the relending and other business activities of LRI, including its use of the money FIELD with CIF lent LRI.

19. On March 13<sup>th</sup>, 2000, an Operating Agreement was executed by the members of CIF. Elliot S. Salzman signed the agreement for LRI, which owned 90% of the membership interest in CIF. FIELD, his wife Kathryn Taillon, T. Brad Kelley, T. Bart Kelley, Calvin L. Williams, and Lonnie Saxon also had membership interests and signed the agreement.

20. The Operating Agreement named FIELD and Elliot S. Salzman as co-Managers of CIF. The agreement provided that "the primary purpose of [CIF] shall be to raise funding to be loaned to Lancaster Resources, Inc., for the purposes set forth in its Articles of Incorporation, By-Laws, Operating Agreements, etc., including the making of loans to purchase, develop, operate, lease, manage, and sell, alone or with others,

commercial real property in the New York tri-state area. but this statement shall not confine or limit the Company's legitimate business activities."

21. On March 8, 2000, FIELD signed Form U-1, Uniform Application to Register Securities, which was submitted to the Securities Division in connection with CIF's application to register securities of up to \$8,000,000.

22. CIF issued the 2000 prospectus dated on April 1, 2000, for an offering of \$8,000,000 "Series 2000 Floating Rate Notes". This prospectus was filed with the South Carolina Securities Division, and the issuance was subject to the provisions of the Uniform Securities Act in the statutory law of South Carolina. The Securities Division registered the offering on March 17, 2000.

23. Attached to this 2000 prospectus was a letter purporting to be from an independent auditors report from Want & Ender, CPAs. In reality, this audit never occurred and the firm issued no such letter.

24. Copies of CIF's balance sheet, included with the 2000 Prospectus, reflect \$1,531,787.86 in Notes owed to investors as of December 31, 1999; as well as \$3,303,139.34 in Notes owed to investors of March 8, 2000.

25. At some point, FIELD met and befriended PFEIFFER, as both were interested in playing boardgames with military, historical, or fantasy themes. These games are strategy games in which the players often attempt to outwit each other to consolidate their power on the game board. As will be seen, many of the business entities formed by FIELD and PFEIFFER took their names from these historical or fantasy themes.

26. Having become friends with this similar interest in these strategy games. FIELD and PFEIFFER began to intertwine their business affairs to take advantage of

FIELD's source of funding from the investors in CIF. On February 8, 2001, PFEIFFER issued an opinion letter, for purposes of registration with the South Carolina Securities Division, that the CIF prospectus and the proposed notes complied with state law and were enforceable.

27. On March 18, 2001, FIELD signed Form U-1, Uniform Application to Register Securities, which was submitted to the Securities Division in connection with CIF's application to register securities of up to \$20,000,000.

28. On April 1, 2001, CIF issued the 2001 Prospectus for an offering of \$20,000,000 "Series 2001 Floating Rate Notes". This prospectus was filed with the South Carolina Securities Division, and the issuance was subject to the provisions of the Uniform Securities Act in the statutory law of South Carolina. The Securities Division registered the offering on April 5, 2001.

29. Copies of CIF's balance sheet, included with the 2000 Independent Auditor's Report, which accompanied the 2001 Prospectus, reflect \$10,195,911 in Notes due investors as of December 31, 2000.

30. On March 12, 2001, PFEIFFER issued an opinion letter to FIELD, in which he stated that the South Carolina Securities Division may view CIF as a "sham entity" with LRI as the actual issuer, and that CIF should do three things: (1) carefully document all transfers of funds, (2) use arms length transactions between LRI and CIF, and (3) use portions of CIF funds for third party lending outside of loaning money to LRI in New Jersey.

#### **FIELD'S HIDDEN INTEREST IN BOLINGBROKE**

31. On September 27, 2001, an entity was registered with the Wyoming



Secretary of State named Bolingbroke United (England) Ltd ("Bolingbroke"). The incorporator was listed as Geneva Sellers of the Nevada Processing Center, Inc., a Nevada corporation. Geneva Sellers is an associate of Jack Campitelli, who also uses the name "A.J. Camp". Jack Campitelli is an associate of PFEIFFER. Eventually, the registered agent listed with the Wyoming Secretary of State's Office was "Henry Rex", the supposed president of Bolingbroke. The address was a P.O. Box in Eugene, Oregon, which was opened by Geneva Sellers and on which A.J. Camp was listed as a recipient of mail. Additionally, a South Carolina Bank of America business investment account was opened on October 18, 2001 with the signatory listed as "H Rex". The Bolingbroke bank account used the PFEIFFER law firm address. For some reason, the bank did not certify the signature. Ultimately, a number of checks would be issued on this account purportedly signed by "Henry Rex".

32. "Henry Rex" is a fictitious person and does not exist. Bolingbroke and "Henry Rex" were created by PFEIFFER and FIELD to hide FIELD's true interest in Bolingbroke and the entities with which Bolingbroke would do business. FIELD and PFEIFFER did this to hide FIELD's true interest in various entities from investors, FIELD's partners in LRI, the South Carolina Securities Division, and others.

33. As noted before, FIELD and PFEIFFER enjoyed strategy board games with historical themes. In history, Bolingbroke is the name of a castle in England. Henry Bolingbroke (because he was born at Bolingbroke castle) eventually became King Henry IV. Once he became king, Henry of Bolingbroke would have signed his name "Henry Rex" in the custom of English royalty. "Rex" means "king" in Latin.

34. The first use of Bolingbroke was to loan money to Credo Land Holdings, LP

("Credo"). Credo was made of entities in which PFEIFFER and Tommy Moore had ownership interests, and on September 10, 2001, FIELD purchased a 10% interest in Credo and a 10% interest in Saxon Holdings, LLC, a limited partner of Credo's controlled by PFEIFFER. On October 16, 2001, Credo agreed to purchase property owned by the Baby Superstore, Inc. for \$400,000. This transaction was completed on October 30, 2001. Credo that day gave a \$340,000 note and mortgage to Bolingbroke and a \$40,000 note and mortgage to Kathryn Taillon, Field's wife. These documents were prepared and signed by PFEIFFER.

35. Ultimately, this property was condemned by the South Carolina Department of Transportation, which March of 2003 paid \$1,150,000 in a check made out to Credo, Bolingbroke, Kathryn Taillon, and CIF. This was endorsed by PFEIFFER for Credo, FIELD for CIF, Field's wife Kathryn Taillon, and "Henry Rex" for Bolingbroke. Of these funds, PFEIFFER wrote checks from Credo to Bolingbroke for \$342,963.03, and from Credo to Taillon and Arthur Field as well. On January 31, 2003, "H Rex" also signed a release of Bolingbroke's mortgage on the property, which was supposedly witnessed by Paula Haney and Jane Passiouk, two of PFEIFFER's employees.

#### ELLIOT SALZMAN'S IMPROPER USE OF LRI MONEY

36. On September 1, 2001, LRI executed a Revolving Loan Note for up to \$30,000,000 in favor of CIF at 12.75% per annum. Elliot S. Salzman and Richard Malagiere signed the note on behalf of LRI.

37. As noted before, Elliot Salzman as President and CEO of LRI primarily controlled and directed LRI's business activities and its use of the money from South Carolina investors that CIF lent LRI, while FIELD primarily controlled the business activities

of CIF. At some point around this time, some LRI board members became aware of Elliot Salzman's improper and unauthorized use of LRI money. These board members also became concerned about FIELD's actions as manager of CIF due to FIELD's involvement with these transactions and his close relationship with Elliot Salzman. They sought explanations about and oversight over CIF's actions.

38. However, FIELD did not wish to give up control and sought help from his friend PFEIFFER. On December 18, 2001, PFEIFFER issued an opinion letter to FIELD as manager of CIF, in which PFEIFFER opined that moving the accounting function of CIF to New Jersey would "threaten the South Carolina nature of the company", since most of the funds were invested outside of South Carolina. Thus, he concluded that in order to meet the federal "intrastate exemption" from registration of CIF's securities with the Securities and Exchange Commission ("SEC"), at least the management of CIF's funds needed to remain in South Carolina. PFEIFFER noted that this is why he advised FIELD a year ago to begin investing in local projects, and that in relying on the intrastate exemption FIELD was "holding out to your investors that you are a South Carolina company". PFEIFFER also advised FIELD that since he was the manager of CIF and CIF was a manager-managed LLC, the other members of LRI could not force him to relocate the accounting function. PFEIFFER advised FIELD to resign from the board of LRI to avoid any conflicts of interest.

39. FIELD, however, continued to participate as an active member in the LRI Board meetings. The next day, on December 19, 2001, a meeting of the LRI Board was held in which FIELD acted in his position as Chairman of the Board. At the meeting, FIELD moved to dismiss the corporate counsel and secretary, Richard Malagiere, which passed.

The other members of the board were told that this was done because Malagiere was spending too much money on outside counsel. In fact, Malagiere was spending this money in an attempt to adequately document loans Salzman had made with the money LRI had received from CIF.

40. Additionally, FIELD put on the record a motion that was passed unanimously for "disciplinary action" against LRI President and CEO Elliot Salzman for a transaction involving "457 Westview". In this transaction Salzman had improperly retained the funds at a loan closing that were supposed to be used to pay off a first mortgage on a property LRI was purchasing. Salzman then began servicing the first mortgage to prevent this from being discovered, thus impairing LRI's title to the property it purchased.

41. Additional information had come to light regarding Elliot Salzman's improprieties with LRI funds during his time as president of the entity, and the 457 Westview transaction was the "last straw" for many of the other members. On January 3, 2002, a meeting of the LRI Board of Directors was held in which FIELD participated as a member. At the meeting, it was decided that because of the \$5.6 million debt Salzman had incurred to LRI as a result of his improper and unauthorized use of LRI money, which had come from CIF loans, the Board would remove Elliot Salzman from LRI membership, remove Elliot Salzman as president and CEO of LRI, remove Elliot Salzman as managing member of all the many related entities, remove Elliot Salzman from board of LRI, remove Elliot Salzman from the LLCs management committee, and that there would be no distributions to members until all Elliot Salzman's shortfalls were remedied. At the meeting, Robert L'Abbate noted the concern was to prevent the members from being able to bleed LRI dry without paying the money back to CIF.

42. Once Elliot Salzman was removed from day-to-day control of LRI, it was realized that many of the loans and transactions were improperly or insufficiently documented.

#### FIELD AND PFEIFFER'S CONTROL OF THE SOUTH CAROLINA RELENDERS

43. Meanwhile, with the assistance of PFEIFFER, FIELD continued in his efforts to solidify his control of CIF's lending activities. On January 15, 2002, FIELD caused CIF to issue a check for \$657,752.00 to PFEIFFER's firm trust account for a direct loan from CIF to the South Carolina entity Tiger Transport Service, Inc, in which Tommy Moore (also of Credo) had a controlling interest.

44. The next day, January 16, 2002, PFEIFFER sent FIELD as manager of CIF an opinion letter in which he: (1) noted that he had now been asked to look at CIF's qualification for the Intrastate Offering Exemption from federal registration; (2) expressed concern because "nearly 100% of all proceeds are sent to New Jersey for use their [sic]"; (3) recommended "to mitigate this problem" that "CIF needs to diversify its lending to lend to non-LRI entities"; (4) recommended that LRI "open a South Carolina subsidiary to be the direct borrower from CIF", which would then lend to LRI, and which should also consider placing South Carolina loans; and (4) warned that "even with these actions I cannot guarantee that you will meet the [Intrastate Offering Exemption] test".

45. Two days later, PFEIFFER drew up the paperwork and acted as the closing attorney for the \$657,752.00 CIF direct loan to Tiger Transport Service, Inc., which was guaranteed by Credo, in which PFEIFFER and FIELD had ownership interests.

46. Additionally, PFEIFFER and FIELD executed their plan to attempt to get around the Intrastate Offering Exemption by creating a South Carolina entity to act as an

intermediary in the lending from CIF to LRI in New Jersey. On January 28, 2002, Lancaster Resources (South Carolina), Inc., was formed with the filing of Articles of Incorporation with the South Carolina Secretary of State. FIELD was listed as the incorporator and F. SCOTT PFEIFFER signed for the attorney certification of compliance. On February 11, 2002, Articles of Amendment were filed changing the name of this entity to Monmouth Financial Group, Ltd ("Monmouth"). FIELD signed this amendment as the incorporator. PFEIFFER had ownership and management interests in Monmouth.

47. In keeping with FIELD and PFEIFFER's interest in historical themes, according to history Henry V was born at Monmouth Castle, and was known as Henry of Monmouth. Henry V later followed his father Bolingbroke, or Henry IV, on the throne. Henry Bolingbroke would, as noted before, sign his name "Henry Rex" upon taking the throne.

48. Additionally, FIELD and PFEIFFER also executed their plan to start lending to South Carolina entities with the formation of Cosimo, LLC ("Cosimo"). On January 31, 2002, PFEIFFER filed with the South Carolina Secretary of State the Articles of Organization for Cosimo. PFEIFFER was listed as the organizer. 50% of Cosimo was owned by Red Lion Trading House, LLC, an entity controlled by PFEIFFER. The other 50% was owned by Bolingbroke, which, as noted before, was controlled by FIELD and created for the purpose of hiding FIELD's ownership interest in this relender of CIF.

49. Cosimo took its name from Cosimo D'Medici, a historic figure from Italy during the Renaissance known for consolidating political and financial power. On at least two occasions, FIELD and PFEIFFER sent business letters from Cosimo which were purportedly signed by a "Larry Medici".

50. Around the time PFEIFFER caused Cosimo's formation documents to be filed with the South Carolina Secretary of State, PFEIFFER and FIELD began relending through Cosimo. FIELD transferred funds from CIF to Cosimo, which then lent \$595,000 to Guglielmi, LLC. This transaction was facilitated through Elliot Salzman at Lancaster Mortgage Bankers ("LMB"). PFEIFFER drew up the loan documents and functioned as the closing attorney. He addressed the cover letter – as if the transaction was arm's length – to Alysia Hazelton as Assistant Manager of Red Lion Trading House, LLC, in which PFEIFFER had ownership. In fact, Alysia Hazleton was an employee of PFEIFFER's law firm. This sort of documentation was intended to create the illusion of an arm's length transaction, and was typical of many of the Cosimo loans which PFEIFFER executed.

51. Meanwhile, on February 27, 2002, FIELD signed Form U-1, Uniform Application to Register Securities, which was submitted to the Securities Division in connection with CIF's application to register securities of up to \$33,000,000.

52. On March 6, 2002, CIF issued the 2002 prospectus for an offering of \$33,000,000 "Series 2002 Floating Rate Notes". This prospectus was filed with the South Carolina Securities Division, and the issuance was subject to the provisions of the Uniform Securities Act in the statutory law of South Carolina. The Securities Division registered the offering on March 7, 2002.

53. Copies of CIF's balance sheet, included with the 2001 Independent Auditor's Report, which accompanied the 2002 Prospectus, reflect \$24,116,479.46 in Notes Due Investors of December 31, 2001.

54. FIELD and PFEIFFER also provided to the members of LRI PFEIFFER's opinion that CIF could comply with the Intrastate Offering Exemption by merely loaning to

a South Carolina intermediary such as Monmouth, before the money was loaned to LRI in New Jersey. At some point Dr. Stuart Katz as Acting President of LRI issued a letter authorizing PFEIFFER to form Monmouth and to be a shareholder, officer, or director of Monmouth. The first Monmouth loan occurred on or about February 10, 2002, when FIELD caused \$800,000 to be loaned from CIF to Monmouth, and PFEIFFER then caused those funds to be loaned to LRI.

55. However, the other members of LRI again became concerned with these relending activities of FIELD and PFEIFFER. On March 21, 2002, Dr. Stuart Katz sent FIELD a letter in which he noted FIELD had been directed by the Board of LRI not to do any business with Elliot Salzman, but FIELD had caused Cosimo to loan CIF money to Guglielmi, LLC, which involved Salzman. Katz complained that LRI had not been informed about the creation of Cosimo and asked whether it "violated any securities laws". Katz concluded: "Arthur, I trusted and respected your judgment, but cannot sit idly by while you unilaterally take CIF in a business direction without any input from the LRI board".

56. On March 25, 2002, FIELD responded to Katz's concerns by email. In the email, FIELD stated that the LRI board could "have nothing whatsoever to say" in FIELD's relending decisions for CIF. FIELD stated that he was a passive member of LRI with no knowledge of whether LRI has any financial difficulties. This statement is not true as the LRI Board minutes reflect FIELD actively participating through at least December 2002.

57. FIELD also stated that Monmouth and Cosimo were created to address PFEIFFER's opinion letter that a "pass-through relending" through a South Carolina Company was necessary to comply with the Intrastate Offering Exemption. FIELD stated that "neither CIF nor Arthur Field nor any other member of CIF board has anything



whatsoever to do with the ownership or management of [Cosimo and Monmouth]". This statement represents a material misrepresentation of fact, i.e., a lie., as FIELD did in fact have such an interest through Bolingbroke.

58. FIELD stated that with regard to the Guglielmi loan, Cosimo was created to "shield LRI from any connection with" Elliot Salzman.

59. FIELD stated that he and PFEIFFER were underwriting the Cosimo and Monmouth loans.

60. FIELD stated Monmouth and Cosimo would take small markups, "to make sure they appear to be more than just sham passthroughs". FIELD stated that local loans are "what the people of SC believe their money is going for. So, at least some of it had better be".

61. FIELD stated he did the renewal paperwork and all the accounting for CIF.

62. FIELD stated in the email: "If we are going to try to build a firewall between CIF and LRI to comply with the state and federal securities laws, then we have to form and maintain companies such as MFG and Cosimo to do it and we have to live with the 'independence' of those entities. . . . Only trouble was you guys are in NJ and I have the money in SC and lending it to you directly may violate some big ass federal laws".

63. FIELD stated in the email that he is the one trying to "keep Elliot under control", and complained that the agreement FIELD wrote to terminate Elliot's relationship with LRI had not been signed by LRI officers.

64. On March 29, 2002, Dr. Stuart Katz responded with a letter to the LRI board members. In it, he stated: "I cannot sign an agreement that clears Elliot Salzman of what he did! Elliot Salzman stole 5+ million dollars and left us holding the bag." Additionally:

"I believe that by our white washing what Elliot did, we are placing ourselves at greater risk for criminal charges by assisting in his theft".

65. In the letter, Katz further stated: "Scott Pfeifer is the lawyer who initially gave us the opinion letter that the Blue Sky laws would not affect CIF loaning money to LRI. Out of the clear blue, Arthur felt it necessary for Scott Pfeifer to reassess his initial opinion. This came at a convenient time, just as we began to realize that there was going to be trouble with Elliot. I am not sure what new information came to Scott Pfeifer, but low and behold his opinion changed. His opinion is now that CIF must lend to a South Carolina company".

66. In the letter, Katz further stated: "Remember that Arthur was not sending us [LRI] money until recently, and now only enough to meet the interest payments." Further: "[Arthur] has control of CIF, any and all companies formed in South Carolina, and the ability to withhold money to LRI. Arthur withholding money will push us into bankruptcy." Katz also stated that LRI should separate from FIELD and CIF.

67. Meanwhile, on or about March 26, 2002, FIELD caused Bolingbroke to loan \$56,000 to Monmouth for the purchase of a condominium at the River Bend development in Greenville. Monmouth executed a mortgage in favor of Bolingbroke which was signed by PFEIFFER as President of Monmouth. This condominium was used by PFEIFFER and FIELD and some of their friends as a place where they could play their historical and fantasy strategy boardgames. FIELD and PFEIFFER also used this property as an address for Bolingbroke and Monmouth and to store records related to these entities as well as Cosimo.

68. Despite his claims that he was a passive member of LRI, FIELD continued

to actively participate in LRI board meetings. He was the one who sent the agenda out for the April 2002 board meeting, which included ratification of the settlement agreement with Elliot Salzman based on the misconduct and the acceptance of Salzman's resignation from LRI. The meeting was held on April 17, 2002, and FIELD was present by telephone. FIELD seconded five motions during the Board meeting and voted on these and several other motions during the Board Meeting. FIELD gave the CIF update, and was present for the LRI update.

69. On June 5, 2002, LRI executed a Revolving Credit Promissory Note for up to \$21,000,000 and an accompanying Loan Agreement in favor of CIF. The documents were signed by Martin Ender as President of LRI and FIELD as manager of CIF, and prepared by F. SCOTT PFEIFFER.

70. As collateral for the June 5, 2002 loan agreement, LRI pledged to CIF its membership interest in nineteen LLCs and mortgages in its favor on thirteen third party loans.

71. The June 5, 2002 loan agreement also included the following payment schedule for LRI to retire its principal obligation to CIF:

| <u>Dates</u>                     | <u>Maximum Credit Limit</u> |
|----------------------------------|-----------------------------|
| July 1, 2002 - December 31, 2002 | \$21,000,000                |
| January 1, 2003 - June 30, 2003  | \$19,000,000                |
| July 1, 2003 - December 31, 2003 | \$16,000,000                |
| January 1, 2004 - June 30, 2004  | \$13,000,000                |
| July 1, 2004 - December 31, 2004 | \$10,000,000                |
| January 1, 2005 - June 30, 2005  | \$5,000,000                 |
| July 1, 2005 - December 31, 2005 | \$1,000,000                 |
| January 1, 2006                  | End of Term.                |

LRI would be unable to meet this drawdown schedule.

72. FIELD and PFEIFFER also attended the LRI board meeting on August 18, 2002. FIELD made or seconded a number of motions. He gave the CIF business update, and was present for the LRI update.

73. In November of 2002, a secretary at LRI was reconciling a Federal Express bill and discovered a number of transactions reflecting packages being sent from Lancaster Mortgage Bankers, or "LMB", to Bradford Financial Group, or "BFG" at the CIF address. They also discovered LMB packages being sent to FIELD's home address and one to PFEIFFER for Cosimo. LMB involves Elliot Salzman, and the possibility that FIELD was still dealing with Salzman caused great concern to the other members of LRI.

74. FIELD attended the December 22, 2002 LRI board meeting, where he made or seconded a number of motions. FIELD gave the CIF update and was present for the LRI business update. The minutes reflect there were "[l]engthy discussions regarding CIF and the other pass through companies it utilizes. Who owns them and what information does LRI/CIF have about them? BFG was the most in question with Credo following". FIELD at this time knew full well the ownership of these entities; BFG refers to Bradford Financial Group, which was formed in April 2002 with FIELD's wife Kathryn Taillon as the organizer, and as stated before FIELD had an ownership interest in Credo.

75. The minutes from the December 22, 2002 meeting also reflect "a lengthy discussion regarding the 'HIT' taken as a result of Salzman and the need to mandate that no related company or person, whether involved with LRI, CIF, LG, LD, Wiltshire or any other company, have any dealings with Salzman or LMB now or in the future". The minutes reflect that "not all present were in agreement".

76. On January 9, 2003, PFEIFFER provided an opinion letter to FIELD as

manager of CIF in which PFEIFFER opined that the proposed 2003 prospectus complied with state law.

77. In a January 11, 2003 email to the LRI partners, on which PFEIFFER was copied, FIELD again stated that "LRI cannot control CIF", that PFEIFFER "knocks himself out to get loans and service them", and that PFEIFFER "devotes 25% of his time to helping us".

78. In a January 13, 2003 email to his partners in LRI, FIELD stated: "As to MFG and Cosimo, I own not a single share in either of them. To my knowledge I have never received a penny from either." These statement(s) were material misrepresentations of fact, i.e., lies, given FIELD's effective ownership of Bolingbroke.

79. In February 2003, FIELD tried to get Martin Ender as president of LRI to sign a ratification he and PFEIFFER prepared, which purported to ratify all actions taken by CIF management in 2002, to waive any conflicts given PFEIFFER's indirect ownership in Monmouth and Cosimo, and to indemnify PFEIFFER. Robert L'Abbate responded by email that LRI could not execute such a document, as "LRI . . . does not control or have any management input on the operations of CIF" and has "no knowledge of [CIF]'s accountant's activities, attorney's dealings or business practices as a whole".

80. On February 27, 2003, FIELD signed Form U-1, Uniform Application to Register Securities, which was submitted to the Securities Division in connection with CIF's application to register securities of up to \$50,000,000.

81. On March 17, 2003, CIF issued the 2003 Prospectus for an offering of \$50,000,000 "Series 2003 Floating Rate Notes". This prospectus, and its subsequent amendments, were filed with the South Carolina Securities Division, and the issuance was

subject to the provisions of the Uniform Securities Act in the statutory law of South Carolina. The Securities Division registered the offering on March 17, 2003.

82. Copies of CIF's balance sheet, included with the 2002 Independent Auditor's Report, which accompanied the 2003 Prospectus, reflect \$37,370,679.95 in Notes Due Investors as of December 31, 2002.

83. On March 17, 2003, FIELD sent a letter to noteholders generally describing to them CIF's financial position. Underlined in the letter was the following: "The only debt CIF has is to its investors." On or around August 14, 2002, FIELD caused CIF to loan \$2,275,000.00 to Cosimo for the Tiger related entities. A portion of this money went to Credo, again in which both FIELD and PFEIFFER had an ownership interest. On or about October 15, 2002, Credo loaned \$550,000.00 to CIF from funds Credo had received through Cosimo from CIF. CIF paid this money back to Credo on or about October 21, 2002.

84. Indeed, in a letter to LRI's auditors, Smolin & Lupin in approximately April of 2003, and which was copied to PFEIFFER, FIELD claimed that Credo had actually borrowed \$500,000 on a short term note on October 15, 2002. This statement represents a material misrepresentation of fact, i.e.; a lie., as it was actually CIF that borrowed from Credo according to FIELD's own accounting.

85. Late in March of 2003, Carolina Investors, Inc., folded, causing a loss to many noteholders in that company. In response to the unease created by this event, FIELD sent a letter dated March 28, 2003 to noteholders to reassure them about CIF's financial standing. In the letter, FIELD noted he offered to serve on a regulatory commission and had offered his "expert legal services in the drafting of legislation".

86. FIELD's letter of March 28, 2003 promised that CIF would undergo voluntary semi-annual audits. This did not occur. FIELD's letter also promised that two investors would be added to the management committee as observers. While this did initially occur with Sharon Finch and George Grant being so added, this did not persist after 2004.

#### **KNOWLEDGE OF A POTENTIAL VIOLATION OF THE BLUE SKY LAWS**

87. The failure of Carolina Investors caused further concern for the remaining directors of LRI as to the actions being taken by FIELD and PFEIFFER with regard to CIF, Cosimo, Monmouth, and the other entities. On March 30, 2003, a special meeting of the LRI board was held. FIELD was not present. According to the minutes, the purpose of the meeting was "to discuss the current situation of CIF and LRI and the issue of 'Blue Sky Laws.'" "Blue Sky Laws" refer to the laws enacted by the various states governing the sale of securities. Robert L'Abbate discussed that LRI would need competent legal counsel to address the issues of securities laws, regulations, and rules. It was noted that the LRI auditors were going to need a "complete audit of CIF and its related companies such as BFG, Cosimo, MFG and whatever others may exist". There was a discussion of separating LRI from FIELD and CIF. Finally, the minutes reflect that the Board of LRI agreed that LRI "WILL NOT ACCEPT any actions taken by" Field, CIF, or any employees or members of companies affiliated with CIF, including capital calls, unless the LRI Board was involved in the decision-making process.

88. On April 7, 2003, Mr. Chris Devito at Smolin Lupin & Co, PA, the auditors of LRI, sent a letter to Robert L'Abbate at LRI in which he noted his firm could not complete their audit of LRI without information on CIF's other lending activities and the ownership to those entities, including Credo, Saxon Holdings, Tiger Transport, Cosimo, Monmouth,

and Bradford Financial Group. These concerns were relayed to FIELD at CIF.

89. FIELD responded to the concerns of the auditor by letter on around some time in April of 2003. PFEIFFER was copied with this letter. In justifying his lending activities outside of LRI, FIELD stated the following: "Fortunately, after review, our securities lawyers and our accounting firm recommended immediate diversification in a much belated attempt to gain the Safe Harbor provisions of the 1933 Act. We are a long way off, but are working very hard to achieve this." And: "It is only through swift and substantial diversification of loans inside of South Carolina that we can hope to survive federal regulatory scrutiny." CIF investors were never told that CIF had been operating outside the Intrastate Offering Exemption of the Federal Securities laws, that CIF was "a long way off" from complying, or that, at the time, the statement was made, that CIF was concerned about its ability to "survive regulatory scrutiny."

90. FIELD also had PFEIFFER send FIELD another opinion letter, dated April 15, 2003. In it, PFEIFFER discussed again the Intrastate Offering Exemption, and noted that CIF had made "great progress" in moving towards compliance with the exemption by its cessation of direct lending to LRI and its new lending in South Carolina. However, it continued: "Several goals need to be accomplished yet. In order to clearly qualify for the SEC Safe Harbor, 80% of all collateral should be located in South Carolina. Qualification for the safe harbor is not required, but the closer you get the more likely to succeed you will be."

91. Further, in an email to his LRI partners dated April 14, 2003, FIELD wrote that he had employed his wife Kathryn Taillon to assist him as the two of them handled the distributions and other financial transactions of CIF.



92. FIELD's responses to the LRI members and the LRI auditor caused them to hire investigator Michael O'Shea to look into FIELD and PFEIFFER's conduct in South Carolina. On behalf of LRI, Robert L'Abbate also engaged Kymric Mahnke, Esquire, of the respected and longstanding law firm of Nelson, Mullins, Riley, and Scarborough, LLP, to review the propriety of FIELD and PFEIFFER's conduct. Mahnke has extensive business law experience, and indeed PFEIFFER had been employed at Nelson, Mullins Riley, and Scarborough, LLP. Mahnke also involved Neil Grayson, Esquire, of Nelson, Mullins, Riley, and Scarborough, LLP. Grayson has decades of securities law experience.

93. On April 21, 2003, Michael O'Shea and Chris DeVito from Smolin Lupin went to CIF's auditor, Porter and Highley, to retrieve the audit work papers. They were taken to Legal Eagle, a copying service, to be duplicated and provided to Kymric Mahnke. The next day, FIELD, KATHRYN TAILLON, and a third individual who refused to identify himself, arrived at Legal Eagle demanding return of the documents. FIELD presented a business card with his Greenville, SC address identifying him as an "Attorney-at-law", even though he was not and never has been licensed in South Carolina. The documents were copied and returned to Porter and Highley.

94. Faced with these new developments, another special meeting of the LRI board took place on April 27, 2003 in the absence of FIELD. The Board discussed CIF and Field after L'Abbate raised concerns about FIELD being manager of CIF. L'Abbate's main concern was that the LRI Board and management did not know what FIELD was doing in South Carolina and with whom FIELD was conducting business. The Board discussed splitting LRI and CIF, firing FIELD as manager of CIF, or putting another manager in place at CIF along with FIELD. Ultimately, it was decided that legal counsel needed to look at

the situation, and the ultimate goal was to protect the investors in South Carolina.

95. Meanwhile, Kymric Mahnke and Neil Grayson had reviewed CIF's actions and became concerned as to the sufficiency of the disclosures in the CIF prospectuses as well as the legality of CIF's operations under the federal Intrastate Offering Exemption. At some point in May of 2003, Mahnke had a meeting with PFEIFFER in which he discussed some of these concerns with PFEIFFER. Mahnke also expressed concern with the ethical and legal implications of PFEIFFER functioning as the attorney while having an ownership in the various entities. PFEIFFER did not try to defend his actions and listened to Mahnke with a blank stare.

96. PFEIFFER responded to Mahnke's concerns with an unsigned letter to Mahnke dated May 7, 2003. PFEIFFER proposed two solutions to Mahnke's concerns: (1) the companies are split with FIELD getting CIF and LRI getting FIELD's interest in the Lancaster-related entities, following the creation of a trust in which the assets were placed and an effort was made to collect the roughly 1.8 million dollars still owed to LRI by Elliot Salzman for his misconduct, or (2) LRI could register a public offering to raise money to pay off the CIF notes. PFEIFFER concluded: "With the South Carolina notes repaid, the entire issue of South Carolina and the intra-state offerings disappears, and CIF is no longer needed and can be simply dissolved."

97. Following these discussions with PFEIFFER, on May 8, 2003 Kymric Mahnke recommended to L'Abbate that LRI get the following information from PFEIFFER "as soon as possible": the maturity date of all investor notes, accountant confirmation of all money owed to investors, an accounting of all the loans to and from Cosimo, loan documentation, as to the end borrower of all the Cosimo loans, and all correspondence to the Attorney

General. Neil Grayson concurred and offer further suggestions, further asking if Mahnke had "a summary of the structure or issues or background or description of this mess".

98. In any event, Kymric Mahnke and Neil Grayson, who again both have extensive experience with business law and are members of the respected firm of Nelson, Mullins, Riley and Scarborough, LLP, concluded that CIF clearly did not fall within the Intrastate Offering Exemption and that CIF's activities were in violation of federal law. They concluded that PFEIFFER's assertion that CIF could be in compliance by diversifying its lending and merely lending to a South Carolina intermediary like Monmouth before sending the money out of state was "ridiculous", and that no reasonable lawyer could think such a plan was legal.

99. Accordingly, on May 9, 2003, Mahnke sent a letter to L'Abbate in which he stated: "CIF must be instructed to stop selling securities immediately. Now that LRI has advice that the securities laws exemption is not available, it cannot permit CIF to continue selling securities at all. To do so would result in a knowing violation of the securities laws, and subject LRI and its principals to increased civil, and perhaps even criminal liability".

100. Mahnke's May 9, 2003 letter continued that FIELD also needed to be instructed to stop selling securities for any other entity, and that someone representing LRI should be posted at CIF offices to preserve records and ensure no further sales of securities occurred.

101. Mahnke's May 9, 2003 letter stated that the CIF records needed to be subjected to a forensic accounting to determine the actual amount of investor liability, and that sufficient funds should be put in place to cover redemptions.

102. Finally, Mahnke's May 9, 2003 letter suggested mechanisms by which LRI

could "negotiate a separation from FIELD as quickly as possible".

103. On May 12, 2003, Mahnke followed up with a letter to PFEIFFER in which noted their "discussions this past week" and asked for the information from CIF that he and Neil Grayson identified in their email of May 8, 2003. Mahnke concluded: "Scott, it is imperative this information be provided [to] LRI as soon as practicable".

104. Robert L'Abbate raised Mahnke and Grayson's concerns to FIELD. FIELD refused to stop selling securities and responded that LRI legally could not dictate anything to FIELD as to how he ran CIF.

105. On May 20, 2003, L'Abbate wrote Mahnke an email in which he stated, among other things: "I am working on getting something done to deal with Field. . . . He is working hard at getting us to buy his interests out of [LRI] and fund the next company for him. That isn't an option but we will accomplish the goal of shutting down CIF quickly".

106. On June 9, 2003, Mahnke wrote L'Abbate an email in which he complained that he had just attended a concert and CIF was still advertising there. L'Abbate responded with an email to Mahnke in which he stated that FIELD had been working with PFEIFFER on agreements and to meet with the state Securities Commissioner. L'Abbate wrote that "I do understand your position on the sales of securities and Mr. Field is on notice as to take in any new securities". Among other things, L'Abbate also states that "the hardest thing will be to get an agreement that allows us to move forward and not have Arthur interfere in either NJ or CIF".

107. The Nelson Mullins file for LRI reflects Mahnke and Grayson discussing a response to L'Abbate on June 10, 2003, in which Mahnke noted that "[w]hile the South Carolina Securities Laws may be an issue, the overriding issue concerns the Federal

Securities laws for which CIF does not have an exemption for the sale of its securities." He stated that nothing worked out by the South Carolina authorities could address the federal problem. Additionally, he noted that "the problem with Field's continuing presence needs to be addressed immediately. Even though [Field] has been directed to stop selling securities, the ads continue to run suggesting he may not be obeying that order."

108. After having heard nothing from LRI, Mahnke sent on June 20, 2003, a letter in which he terminated his representation of LRI. Mahnke wrote: "It is our opinion, however, that the risks of this engagement under the present circumstances are too great for this firm to continue to work for Lancaster. Another advertisement for CIF investments ran right in the middle of the Greenville News' stock quotations this morning. No reasonable person could conclude, at this point, that your command to Mr. Field to stop selling CIF securities has been obeyed."

109. However, L'Abbate was unable to come to an agreement with FIELD to stop CIF's selling of securities, or to remove FIELD from control of CIF. Faced with ARTHUR FIELD's refusals, L'Abbate and LRI began to try to negotiate a split of LRI and CIF and FIELD. In an August 11, 2003 letter to the South Carolina Securities Division to address various concerns as to whether CIF's advertising was misleading, PFEIFFER wrote that "negotiations are currently underway with the New Jersey member to redeem its interest, which will make the company totally locally owned and operated".

110. On October 4, 2003, FIELD sent a letter to LRI in which he requested verification of the condition of title to any property LRI had, and also demanded "the \$3 Million payment on the credit line remitted to CIF on or before December 31, 2003, in accord with the terms of the Agreement filed with the Securities Division of the Attorney

General of South Carolina”.

111. On October 9, 2003, FIELD held a meeting for investors, at which he made the following representations. At the meeting, he told the investors that loans are to be secured by a first mortgage, and that the appraised value had to exceed the loan by 20%. He also stated that the company would never loan money to its managers. Of course, CIF was already lending to Cosimo, in which FIELD had a hidden interest through Bolingbroke.

112. On October 10, 2003, FIELD issued a letter to noteholders “as part of our commitment to keep you fully informed” regarding the status of CIF’s business. Despite such a laudable promise, at no point in the letter did FIELD advise noteholders that experienced business attorneys at one of the State’s most respected firms had advised that CIF’s business model was flatly illegal and subjected the company to the prospect of significant civil and criminal liability. Nor did FIELD advise that he had an interest in Cosimo and was hiding his involvement with use of Bolingbroke and a fake name. These failures to disclose represent omissions to state material facts to investors.

113. On November 14, 2003, Gary Kraft as Controller of LRI sent a letter to PFEIFFER for Monmouth in which he offered to substitute Lancaster’s membership interest in Point Pleasant Towers, LLC, in an attempt to “over-collateralize” the Monmouth loans. In return, he requested that Monmouth extend the term of the loans.

114. Given that CIF and FIELD were going to be separating from LRI, CIF acquired 100% of the Monmouth membership interest and PFEIFFER resigned as manager at some point in November 2003.

115. Meanwhile, a meeting took place at PFEIFFER’s office between Robert L’Abbate and Gary Kraft of LRI, and ARTHUR FIELD, PFEIFFER, and attorney Jim

Bannister, Esquire, representing FIELD and CIF. On November 19, 2003, Jim Bannister wrote a letter to L'Abbate regarding this meeting, in which he discussed, among other things, LRI's need to provide sufficient proof of security by mortgage or UCC lien for those properties on which it was possible, discussed the pending payment of \$3,000,000 due by LRI on December 31, 2003, noted that the LRI revolving loan would be recast with a lowering of the interest rate, and stated that in return for FIELD transferring his interest in the Lancaster-related entities to LRI, LRI would transfer its 91% ownership interest in CIF to FIELD.

116. On November 24, 2003, a special meeting of the LRI board occurred to discuss these issues. FIELD was not present. The members agreed to transfer LRI's interest in CIF to FIELD in return for FIELD's interest in all the Lancaster-related entities. Further, there was a discussion how to "cover the shortfall, if applicable, in the collateral that may be needed to guarantee the outstanding debt to South Carolina". The members agreed to pledge their interests in the Wiltshire project to cover any shortfall in LRI's collateral to CIF.

117. At some point on or around November of 2003, FIELD and Martin Ender as president of LRI executed a "Stock and Membership Transfer Agreement" which memorialized the split of LRI from FIELD and CIF.

118. On November 24, 2003, Gary Kraft as Controller of LRI sent a letter to FIELD advising that LRI would payoff a number of loans prior to their maturity date at the end of the year, but requesting an extension of the maturity date of other loans to September 30, 2004.

119. On November 25, 2003, FIELD responded to Kraft's letter, in which he

agreed to accept only \$50,000 of LRI's pending \$3,000,000 payment, and extend the note term. FIELD also agreed to change the note from a fixed rate to a floating rate which had the effect of lowering LRI's interest rate at that time. In return, FIELD requested that LRI agree to pay \$2,890,750 on Monmouth loans by December 15, 2003, and for its members to assign Wilshire interests as collateral. FIELD also stated LRI was to provide a complete listing of collateral and to secure such collateral with UCC liens or mortgages if it could.

120. LRI executed resolutions memorializing the split from CIF and FIELD on December 8, 2003.

121. On or about December 12, 2003, FIELD sent a letter to investors to inform them of his split from LRI and his acquisition of LRI's 91% interest in CIF. In the letter, touting "significant developments at Capital Investment Funding", FIELD stated: "Although we had an excellent and profitable relationship with that firm [LRI] since our creation in January 1999, our attorneys advised us it would be preferable to disconnect the ownership of the entities. Since LRI owned 91% of CIF, and was also its principal debtor, our advisors felt this could present a conflict of interest some time in the future".

122. These statements were materially misleading in a reference to an "excellent . . . relationship" and a mere possible conflict of interest. Among other things, FIELD did not inform the investors that experienced business attorneys at one of the State's most respected firms had advised LRI that CIF's business model was plainly illegal, and that the breakup was precipitated by FIELD's insistence on continuing CIF's sale of securities despite this legal opinion and LRI's order to stop selling securities. FIELD did not advise investors about the removal of Elliot Salzman from LRI for improper use of money CIF lent to LRI, and the disagreements the other members had with FIELD's continued dealings



with Salzman despite this improper conduct. FIELD did not disclose the concern of the LRI Board as to FIELD's dealings and involvement with PFEIFFER, Monmouth, Cosimo, Credo, Bradford, and other South Carolina entities.

123. In the December 12, 2003, letter to investors, FIELD also stated that "all lending activities will be totally independent". This statement was materially misleading, as FIELD did not disclose his then-existing hidden ownership interest in Cosimo.

124. In a document dated December 2003, LRI and CIF entered into yet another Amendment to Revolving Credit Promissory Note. This document was signed by Martin Ender as President of LRI and FIELD as manager of CIF.

125. This December 2003 Amendment stated it was for the purpose of converting the interest rate from a fixed to a floating rate, and "amending the payment schedule on the note". The agreement required LRI to submit by February of each year sufficient proof of collateral, by way of "mortgage or UCC lien, or similar lien sufficient to secure debt as set forth in the Uniform Commercial Code". Struck out by hand from the agreement was a provision that failure to submit sufficient proof of collateral in a timely manner would constitute a breach.

126. This December 2003 Amendment further stated that no further advances would be made to LRI until the balance was reduced below \$6,000,000, and "[t]hereafter, advances shall be limited to a maximum of 20% of CIF's total assets or such other amount as shall keep CIF within the Safe Harbor provisions of the Securities and Exchange Act, but not more than \$9 million".

127. The December 2003 loan agreement also included the following payment schedule for LRI to retire its principal obligation to CIF:

| <u>Dates</u>                     | <u>Maximum Credit Limit</u> |
|----------------------------------|-----------------------------|
| January 1, 2004 - June 30, 2004  | \$18,950,000                |
| July 1, 2004 - December 31, 2004 | \$16,000,000                |
| January 1, 2005 - June 30, 2005  | \$13,500,000                |
| July 1, 2005 - December 31, 2005 | \$10,000,000                |
| January 1, 2006 - July 1, 2006   | \$5,000,000                 |
| July 1, 2006 - December 30, 2006 | \$1,000,000                 |
| December 31, 2006                | End of Term.                |

LRI would prove to be unable to live up to this paydown schedule either.

128. On January 22, 2004, FIELD sent a letter to Gary Kraft, on which CIF's auditor was copied, in which FIELD asked if the amendment to the revolving note had been executed yet by LRI.

129. On March 9, 2004, FIELD signed Form U-1, Uniform Application to Register Securities, which was submitted to the Securities Division in connection with CIF's application to register securities of up to \$50,000,000.

130. On March 19, 2004, CIF issued the 2004 prospectus for an offering of \$50,000,000 "Series 2004 Floating Rate Notes". This prospectus was filed with the South Carolina Securities Division, and the issuance was subject to the provisions of the Uniform Securities Act in the statutory law of South Carolina. The Securities Division registered the offering on March 19, 2004.

131. Copies of CIF's balance sheet, included with the 2003 Independent Auditor's Report, which accompanied the 2004 Prospectus, reflect \$39,330,342.37 in Notes Due Investors as of December 31, 2003.

132. On January 22, 2005, FIELD signed Form U-1, Uniform Application to Register Securities, which was submitted to the Securities Division in connection with CIF's application to register securities of up to \$50,000,000.

133. On March 19, 2005, CIF issued the 2005 prospectus for an offering of \$50,000,000 "Series 2005 Floating Rate Notes". This prospectus was filed with the South Carolina Securities Division, and the issuance was subject to the provisions of the Uniform Securities Act in the statutory law of South Carolina. The Securities Division registered the offering on March 21, 2005.

134. Copies of CIF's balance sheet, included with the 2004 Independent Auditor's Report, which accompanied the 2005 Prospectus, reflect \$38,048,629.31 in Notes Due Investors as of December 31, 2004.

135. On March 14, 2006, FIELD signed Form U-1, Uniform Application to Register Securities, which was submitted to the Securities Division in connection with CIF's application to register securities of up to \$50,000,000.

136. On March 22, 2006, CIF issued the 2006 prospectus for an offering of \$50,000,000 "Series 2006 Floating Rate Notes". This prospectus was filed with the South Carolina Securities Division, and the issuance was subject to the provisions of the Uniform Securities Act in the statutory law of South Carolina. The Securities Division registered the offering on March 29, 2006.

137. Copies of CIF's balance sheet, included with the 2005 Independent Auditor's Report, which accompanied the 2006 Prospectus, reflect \$38,994,739.83 in Notes Due Investors as of December 31, 2005.

#### **FIELD'S KNOWLEDGE OF LRI'S DETERIORATION**

138. LRI's financial position continued to deteriorate and it was unable to live up to the principal paydown schedule put in place with the December 2003 amendment. According to FIELD's own books, LRI last made a principal payment on the LRI direct

loans on May 12, 2005. As time passed, LRI fell further and further behind on the drawdown schedule put in place by the December 2003 Amendment to the revolving note. The inability of CIF's largest creditor to pay its debts timely meant that CIF's largest creditor was insolvent, with the consequence that CIF's solvency was placed at risk.

139. In January of 2006, FIELD sold 5% of his ownership interest in CIF to Sharon and Glen Finch for \$136,500. FIELD helped them set up a South Carolina entity named Log Cabin Financial, LLC to own this interest. In selling this 5% to the Finches, FIELD told them CIF's business was very healthy.

140. On November 7, 2006, FIELD sent an email to Robert L'Abbate as president of the Lancaster Group. In the email, FIELD stated that he had to cancel an \$8 million loan commitment because LRI and the related Lancaster Group had not paid CIF and "were in default in their payment of principal to CIF". FIELD continued:

"(1) We still need whatever money you can send ASAP. I have other commitments still waiting. Plus, we would like to clean up the default. The Atty General is waiting on the revised prospectus and I don't want to let anyone know your firm has not made a principal payment in over 1 year, despite the promissory note on file with the Atty General showing payments due of roughly \$4 Million annually;"

"(2) We have a new auditor who is supposed to start on 11/9. I will delay that for 10 days but I doubt I can wait beyond 12/1. I doubt the auditor will be as liberal as our prior auditor and will object greatly to the non-payment of principal. Most assuredly this will cause a problem for CIF."

"(3) I have gone \$200K in the hole. Between redemptions and small loan commitments I had to honor, I am overdrawn on available cash to lend. I can maintain this for a very short period, but not more than 10 days without fear of incident."

FIELD added: "I must insist upon an immediate payment of at least \$1.5 million to help you cure the current default".

**457 CARLTON: FIELD SENDS MONEY TO LRI SO IT CAN PAY CIF**

141. LRI was unable to make such a payment to cure its default and was in dire straits. In order to provide funds to LRI so that LRI could continue to make interest and principal payments to CIF and Monmouth, so that FIELD could avoid disclosure to CIF noteholders and regulatory authorities of LRI's and thus CIF's true situation, FIELD engaged in a scheme to send new CIF money to LRI through another company he owned named Trazom, LLC ("Trazom").

142. Trazom, LLC was first registered with the South Carolina Secretary of State on June 9, 2006. FIELD was listed as the agent and organizer.

143. Trazom takes its name from the fact that the famous composer and conductor Mozart occasionally signed his name Gnagflow Trazom, or Wolfgang Mozart backwards. As another hobby or avocation in addition to his fantasy boardgaming, FIELD conducts classical music.

144. LRI through L'Abbate issued a check to Monmouth for \$500,000 with the memo line "principal payoff", dated December 29, 2006 — right before end of the year 2006. The same day, LRI also issued a check to Monmouth for \$14,186.50, with the memo notation "11/01 - 11/30". LRI also issued that day a check to CIF for interest on its direct debt, in the amount of \$153,938.22. At the time LRI issued these checks (the "LRI checks") for a total of \$668,124.72, it had only \$373.77 in the bank.

145. FIELD then caused Monmouth to issue a check (the "Monmouth check"), dated December 31, 2006, to CIF for the amount of \$514,186.50, as a supposed payment of principal and interest.

146. At the time FIELD caused the Monmouth check to be issued, Monmouth had

only \$11,631.10 in the bank.

147. On January 2, 2007, FIELD caused CIF to "loan" \$725,000 to Trazom. The same day, Trazom paid \$750,000 to LRI, with a check (the "Trazom check") signed by FIELD, which had the memo line "Acquisition Wyckoff \$250K balance".

148. FIELD did not physically deposit the LRI checks totalling \$668,124.72 until January 4, 2007. They were physically deposited at a branch, and this was the day after FIELD's Trazom check to LRI cleared, on January 3, 2007.

149. FIELD did not physically deposit the Monmouth check he wrote to CIF, dated December 31, 2006, to the CIF account until January 8, 2007.

150. FIELD structured the transaction like this so he could later claim that LRI repaid CIF \$500,000 of principal in 2006, and was current on all its payments of interest in 2006. These circular checking account transactions were artifices to create a false appearance about LRI, and served to postpone the inevitable day of reckoning from the reality that CIF's lead debtor was insolvent.

151. Of course, the January payments from LRI inevitably came due and LRI still did not have any money. Thus, in furtherance of the same scheme, FIELD caused CIF to "loan" an additional \$250,000 to Trazom by check dated January 29, 2007. With a check dated the next day, January 30, 2007, Trazom paid \$250,000 to LRI, with a check signed by FIELD, that had the memo line merely stating "Bal note purchase".

152. On January 31, 2007, LRI wrote two interest payment checks dated January 31, 2007: one check for \$153,938.22 to CIF, and the other for \$14,186.05 to Monmouth. At the time it wrote these checks, it had just over \$200 in the bank. FIELD booked the checks as paid on January 31, 2007.

153. FIELD's Trazom check for \$250,000 cleared in LRI's account on February 1, 2007.

154. FIELD did not physically deposit LRI's check into the Monmouth account until February 5, 2007. He then wrote a check for \$14,180.00 from Monmouth to CIF that was dated January 31, 2009, at a time when Monmouth only had \$11,671.94 in the bank. FIELD did not deposit this check from Monmouth to CIF until February 7, 2007.

155. These cumulative payments of \$1,000,000 from CIF through Trazom to LRI were supposedly for the purchase of a \$600,000 note and mortgage from SRG 457, LLC to LRI, secured by a property at 457 Carlton Road in Wyckoff, New Jersey. Previously, in March of 2002 CIF had loaned \$600,750 to Monmouth for relending to LRI for SRG 457, LLC. In December 2002, CIF gave Monmouth an additional \$100,000 with the memo "SRG increase". On August 29, 2006, LRI had already filed foreclosure against SRG 457, LLC for failure to pay its obligation to LRI.

156. On July 16, 2007, FIELD then caused CIF to pay Trazom, LLC \$25,000, and forgave Trazom's outstanding loan balance by the full \$1,000,000 by booking the transaction as the purchase of real property (when in fact CIF had supposedly only purchased a note and mortgage already in foreclosure, and for which it did not even have any assignment yet). FIELD's Quickbooks memorialized this transaction as: "SRG 457 Purchase real property NJ foreclosure; satisfy outstanding mortgage [of Trazom]; CIF to collect interest from 7/1/07; Trazom to acquire and assign SRG 457 to CIF immediately; foreclosure to continue in LRI and CIF name". Thus, FIELD caused CIF to pay \$1,000,000 to LRI through Trazom, for a \$600,000 note and mortgage that was already in foreclosure proceedings, on a property for which CIF had already lent LRI over \$700,000 -- solely so

LRI could send substantially all of the \$1,000,000 back to Monmouth and CIF as "payment" of interest and principal. The purpose of these transactions was to enable CIF to hide the reality that its leading debtor was insolvent, meaning that CIF itself faced insolvency.

157. Moreover, FIELD did not even bother to immediately secure for CIF the asset he had supposedly caused CIF to purchase for \$1,000,000. It was not until June 6, 2008 – over a year later – that Robert L'Abbate executed an Assignment on behalf of LRI II, LRI's successor in interest. It was not until July 28, 2008 when FIELD caused CIF to file a motion to Intervene in an imminent foreclosure sale of the underlying property at 457 Carlton.

158. On or about August 27, 2008, FIELD caused CIF to enter into a contract to sell the 457 Carlton property to 457 Carlton Road, LLC, for \$394,000. The contract with CIF was signed for 457 Carlton Road, LLC by its Managing Member Elliot Salzman – who was, as noted before, the long-time friend of FIELD's who been kicked out of LRI for financial improprieties with LRI money lent to it by CIF.

159. The deed to CIF from the court ordered sheriff's sale from the foreclosure was issued on September 15, 2008. On September 22, 2008, FIELD prepared a deed conveying the 457 Carlton Road property to 457 Carlton Road LLC. On October 21, 2008, Elliot Salzman wrote a letter to FIELD in which was enclosed a check for CIF's net proceeds from the sale of \$305,998.63. FIELD never cashed the check on behalf of CIF. He ultimately delivered it to Jerry Saad, the receiver of CIF, on or about some time in December 2011 when Saad inquired about this transaction. FIELD stated to Saad that he did not cash the check as he knew it would be no good.

160. Thus, FIELD caused CIF to spend \$1,000,000 for a \$600,000 note and



mortgage that was already in foreclosure on a property for which CIF had already lent LRI over \$700,000, then sell the property to an entity involving his friend Elliot Salzman (who had already been kicked out of LRI for financial improprieties) for a mere \$394,000, for which CIF only received a check for the net of \$305,778.63, which FIELD did not even bother to cash or collect. These transactions caused a large loss to CIF and were only for the purpose of assisting FIELD's efforts to cover-up the fact of LRI's difficult financial position and the consequences such a position presented for CIF.

161. Further, on June 19, 2009, long after these transactions had taken place, FIELD filed with the South Carolina Secretary of State a "Statement of Dissociation" from Trazom, in which he put he had left the membership of Trazom on July 1, 2007 – nearly two years earlier, and immediately before FIELD had caused CIF to buy the note from Trazom for the full \$1,000,000, and also wrote a \$25,000 check to Trazom.

#### **REGULATORY ISSUES WITH THE SECURITIES DIVISION**

162. Around the same time FIELD was sending money to LRI to conceal the dire nature of LRI and thus CIF's position, CIF developed severe regulatory problems.

163. CIF and FIELD's registration to sell its Series 2006 Senior Notes expired on or about March 29, 2007.

164. On or about March 9, 2007, the Securities Division of the South Carolina Attorney General's Office ("Securities Division") received from FIELD CIF's 2007 application for registration for a \$50,000,000 offering of Senior Notes.

165. On March 9, 2007, David L. Thomas gave the opinion letter for the proposed 2007 prospectus. He expressly did not offer any opinion on "any state securities or blue sky laws".

166. On March 13, 2007, FIELD met with members of the Securities Division.

167. On or about March 22, 2007, the Securities Division received the opinion of a Certified Public Accountant ("CPA") that CIF's 2006 financial statements did not comply with Generally Accepted Accounting Principals ("GAAP").

168. On or about May 11, 2007, the Securities Division issued a "Notice of Intent to Seek the Issuance of a Stop Order Denying Effectiveness to a Registration Statement and to Seek the Issuance of an Order Revoking Available Exemptions".

169. This document alleged CIF's registration was incomplete in a number of material respects and could tend to work a fraud upon purchasers. One ground alleged was that CIF did not qualify for the Intrastate Offering Exemption from federal registration.

170. On May 14, 2007, FIELD signed an affidavit in which he claimed his March 13, 2007 unsworn interview had been taken out of context. In it, he claimed that CIF has acted since 2003 with the "firm belief it is not committing any federal securities violations and is doing all reasonable efforts to come within the exemptions provided"; that in 2006 LRI paid \$500,000 of its debt; that LRI had paid \$100,000 of its direct debt and \$50,000 of its MFG debt in 2007; that LRI has made all payments due prior to May 1, 2007; that "at no time did [he] intend to indicate that either risk [a default or anticipatory breach by LRI] was imminent"; and that "[i]t was not my intent to imply any such default (or 'anticipatory breach') existed and any such implication on my part was a misstatement other than to advise the Division it is always possible any borrower could default, which could adversely affect the company".

171. On May 16, 2007, FIELD wrote a letter to the Securities Division, in which he contended, among other things, that "as of December 31, 2006, LRI was not in default

under the terms of the loan agreement in place at that time", and contended LRI had repaid \$500,000 during 2006, which was applied to the MFG debt by agreement of the parties.

172. On May 21, 2007, FIELD filed with the Securities Division an amended registration for CIF's 2007 Senior Notes, which the Securities Division returned. On May 23, 2007, FIELD advised that he was having PFEIFFER explore "the federal law and various exemptions".

173. On May 30, 2007, PFEIFFER wrote the Securities Division that they had "formulated a plan for going forward that we believes [sic] not only complies with all applicable federal and state securities laws, and addresses the concerns of your department".

174. The plan formulated by FIELD and PFEIFFER to address CIF's lack of compliance with the Intrastate Offering Exemption was to create a new entity by the name of Capital Intrastate Funding, LLC ("CIF2"). On June 11, 2007, an application for registration for \$30,000,000 of notes was filed by FIELD's son Davyd Field on behalf of CIF2. The membership of this company was to be Ashley Morey, a long-time employee of CIF; Davyd Field; Gary Malvern, a friend of FIELD's; Davyd Field for Tikal trust; and PFEIFFER for Britannia Trust.

175. Accompanying it was a letter from FIELD, in which he explained that as notes mature, accredited investors could renew with CIF under the Rule 506 exemption from federal registration, and non-accredited investors could only buy notes in CIF2, which would solely do intrastate transactions within South Carolina.

176. On June 15, 2007, CIF sent the Securities Division a copy of the Rule 506

filing with the federal Securities and Exchange Commission.

177. On October 9, 2007, the Securities Division filed a "Notice of Intent to Seek the Issuance of a Stop Order Denying Effectiveness to a Registration Statement", regarding CIF2's filing. The document alleged that the registration was incomplete and would tend to work as a fraud on purchasers.

178. This regulatory trouble severely impeded FIELD's efforts to bring in new money to try to meet CIF's obligations.

#### **CONTINUED LRI DETERIORATION AND THE FORMATION OF LRI II**

179. Meanwhile, LRI's financial position continued to falter, and FIELD continued to send money to Lancaster-related entities so that they could send it back as payments on the LRI debt, and FIELD could continue to conceal the dire straits of LRI and thus CIF.

#### **March 2007**

180. On March 29, 2007, FIELD caused CIF to send \$290,000 by wire to Lancaster Developers, a Lancaster related entity, supposedly to "purchase units".

181. On April 2, 2007, \$9,290.12 was wired from Lancaster Developers back to Monmouth.

182. That day, FIELD then wrote a check for \$9,290.00 from Monmouth to CIF to represent LRI's interest payment.

183. On April 2, 2007 as well, money was also wired back from Lancaster Developers to CIF for LRI's interest payment of \$155,217.49 on the direct debt, which FIELD booked as occurring on March 30, 2007.

#### **April 2007**

184. On April 18, 2007, some of the remaining shareholders of LRI executed a Written Consent, in which it was noted that LRI was in default in its loan to CIF, and had "no liquid assets to make any payment to CIF or its subsidiary, and no credit". The document also noted that LRI had interests in real property, but that it was subject to mortgages and LRI had no ability to make mortgage payments. They approved a series of transactions whereby a new entity would be formed in which Robert L'Abbate would have sole ownership.

185. Of course, while FIELD's scheme took care of the March payments, inevitably the April payments to CIF and Monmouth had to occur, and LRI could not make them.

186. Lancaster Developers started the month of April 2007 with about \$63 in the bank. Thus, on April 24, 2007, FIELD caused CIF to send another \$290,000 by wire to Lancaster Developers. This time FIELD's Quickbooks entry reflects it was for "condo purchase acquisition".

187. Once Lancaster Developers had the money from CIF, it on April 30, 2007 wired CIF \$155,217.49 for LRI's direct debt interest, and \$9,290.12 to Monmouth for LRI's Monmouth interest payment.

188. That day, FIELD then wrote a check for \$9,290.00 from Monmouth to CIF to represent LRI's interest payment.

#### **May 2007**

189. LRI then used some of the remaining funds FIELD caused CIF to send to Lancaster Developers to make a supposed "principal payment" to Monmouth on May 2, 2007. Lancaster Developers actually wired Monmouth \$50,492.39 on May 1, 2007. On

May 2, 2007, FIELD wrote a Monmouth check to CIF for \$50,000.

190. As with the \$1,000,000 Trazom transaction to prop up LRI described previously, FIELD did not even bother at the time to get any documentation – much less sufficient documentation – that CIF owned the two condo units he was supposedly purchasing with \$580,000 of CIF and thus investor money.

191. It was a year later in May of 2008 before FIELD sent an email to LRI, on which he copied PFEIFFER, in which he stated: "I have asked twice more now about the condo units. I have a buyer wanting both of CIF's units. I have not heard anything from you nor received the necessary paperwork. I don't want to lose the sale".

192. On May 23, 2008, Gary Kraft responded on behalf of LRI with an email in which he attached among other things a contract memorializing the sale of Unit 401 only.

193. On May 27, 2008, FIELD sent an email to LRI, on which he copied PFEIFFER, in which he enclosed "title affidavits and deeds to units 401 and 109", and asked that they be executed.

194. On July 21, 2008, FIELD sent an email to LRI in which he stated, among other things: "This firm's primary goal is to recoup its \$580,000 or as much as can be gotten swiftly. (We still don't understand why a deed with clear title wasn't recorded in 2007 as agreed for each unit, but will overlook that for the time being if this matter is resolved correctly before August 15)." Later: "I might expect it might be difficult for whomever received the funds to explain where the \$580,000 went last year in that event. Let us hope that doesn't become an issue."

195. There was no resolution as to whether CIF even owned these properties to which it had sent LD a total of \$580,000 a year earlier. Thus, CIF had to file suit in New

Jersey on July 25, 2008, to try to obtain an ownership interest in the properties which CIF had supposedly purchased a year earlier. In the lawsuit, CIF was not even sure what it was supposed to have received when FIELD caused CIF to send the total of \$580,000 to LRI for the two properties. CIF alleged it sent the money based solely on representations that title would be transferred to CIF, "or that CIF would be granted some other security interest in Unit 401".

196. Indeed, FIELD signed a Certification, dated November 3, 2008, that was filed in the lawsuit, in which he noted that as of May 15, 2008 – a year after he sent the money to LD – he had "not heard anything nor received the necessary documentation reflecting ownership of Units 401 and 109".

197. Ultimately, LRI did provide title to CIF for Unit 401. FIELD then caused CIF to sell that condo to an entity that involved Robert Sypher and Elliot Salzman (who had, as noted before, been kicked out as President and CEO of LRI for financial improprieties). The net CIF received after all of this was a net of only \$184,423.10.

#### June 2007

198. LRI's financial position had gotten so bad that in June of 2007 Robert L'Abbate approached FIELD for a loan in order to make LRI payroll. In order to continue his scheme and avoid having to advise investors and regulatory authorities of the true dire financial status of LRI and thus CIF, FIELD caused CIF to loan L'Abbate personally \$75,000 on June 10, 2007, which L'Abbate paid back on June 26, 2007 by getting a home equity loan.

#### Capital distributions

































