

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF HAMPTON

FOURTEENTH JUDICIAL CIRCUIT

Renee S. Beach, as Personal Representative of
the Estate of Mallory Beach,

Case Number: 2019-CP-25-00111

Plaintiffs,

vs.

Gregory M. Parker, Inc. d/b/a Parker's
Corporation, Richard Alexander Murdaugh,
Richard Alexander Murdaugh, Jr., John Marvin
Murdaugh, as PR of the Estate of Margaret
Kennedy Branstetter Murdaugh, and Randolph
Murdaugh, IV, as PR of the Estate of Paul Terry
Murdaugh,

**CO-RECEIVERS' SECOND STATUS
REPORT TO THE COURT**

Defendants.

Co-receivers John T. Lay, Jr. and Peter M. McCoy, Jr. (the "Co-Receivers") respectfully submit this Second Status Report to the Court. Since the Co-Receivers' prior report, the Co-Receivers have taken significant steps towards valuing, listing, and liquidating Richard Alexander "Alex" Murdaugh's assets. The process of identifying, recovering, protecting, collecting, preserving, receiving, managing, liquidating, selling, administering, and marshaling Alex Murdaugh's Assets for the benefit of his many victims continues to be complicated. The complexity of Alex Murdaugh's financial maneuvers and the steps necessary to recover assets due to such complexity support the need and importance of the Receivership.

I. Status Update

A. Response to Alex Murdaugh's Attempted Transfer of Assets

The necessity and importance of the receivership process is also made clear as a result of Alex Murdaugh attempting to subvert the receivership and injunction implemented through the Court's order dated November 4, 2021 ("the Order") for his and his family's benefit, but to the

disadvantage of the Receivership Estate, by attempting to file a Qualified Disclaimer of his interest in the assets in Maggie Murdaugh's Estate on March 4, 2022 in the Probate Court of Colleton County. Neither Alex Murdaugh nor his lawyers notified the Co-Receivers of his attempt to disclaim his interest in assets and, as you know, the Probate Court does not issue an electronic notice of filings. As such, the Co-Receivers were informed of this attempted transfer *vis-à-vis* the filed disclaimer by third parties on March 9. The Co-Receivers filed a motion for sanctions and to void Alex Murdaugh's Qualified Disclaimer that same day. The Co-Receivers' motion challenging Alex Murdaugh's attempted transfer of assets is currently pending before the Court.

B. Identification, Recovery and Monetization of Assets

To date, the Co-Receivers and their counsel have worked approximately 1,600 hours in furtherance of the purpose of the Order. A significant portion of this time has been focused on defining the universe of Alex Murdaugh Assets and securing and preserving the same. This has been a massive investigatory effort due to Alex Murdaugh's intentional obfuscation of his financial positions. The investigatory process is on-going but the Co-Receivers have made significant progress since the last report to the Court on identifying assets that are properly included in the Receivership Estate. Actions undertaken by the Co-Receivers and their counsel since the last report to the Court include:

1. The Co-Receivers have issued an additional 28 subpoenas (67 total since their appointment). The Co-Receivers and counsel continue to analyze the substantial information received in response to these subpoenas. Records and information received from Palmetto State Bank and Peters, Murdaugh, Parker, Eltzroth & Detrick, PA have been particularly helpful to identifying assets which the Co-Receivers are in the process of trying to recover.

2. The Co-Receivers deposed Russell Laffitte on February 24, 2022 and expects to conclude that deposition later in May. Mr. Laffitte has provided the Co-Receivers with documents and information which they are and will be using to collect assets for the Receivership Estate.

3. The Co-Receivers have acted to protect the Receivership Estate by gaining agreement from Alex Murdaugh and the Personal Representatives of the Estate of Gloria Satterfield to place their judgment against Alex Murdaugh in *Michael “Tony” Satterfield, individually and in his capacity as Personal Representative of the Estate of Gloria Satterfield, and Brian Harriott v. Richard Alexander Murdaugh, Sr. et al.*, Civil Action No. 2021-CP-25-00298, on equal footing with Alex Murdaugh’s other victims and creditors when the Court administers the Receivership Estate in the future. The Co-Receivers have filed a consent motion for the Court to approve the stipulation with the Satterfield Estate and Alex Murdaugh consenting to such motion. This motion is currently before the Court for approval. The stipulation by Estate of Gloria Satterfield and Alex Murdaugh reduces the risk of litigation of these issues and, thus, preserves assets and ensures equitable distribution of the Receivership Estate.

4. The Co-Receivers have obtained an appraisal, listed, negotiated and, subject to the Court’s approval, finalized a sales contract for the sale of Alex Mudaugh’s house on Edisto Beach for \$955,000. The Co-Receivers have filed a motion for approval of this sale which is pending before the Court. Additional information concerning this pending sale is discussed below.

5. The Co-Receivers have obtained an appraisal, listed with a broker, negotiated, and hope to conclude an agreement with the proposed purchasers for the sale of approximately 146 acres in Berkeley County (“the Berkeley County Properties”) owned by Redbeard, LLC and 0 United Drive, LLC of which Alex Murdaugh has an ownership interest. The verified offer on the Berkeley County Properties substantially exceeds the price provided in a prior sales contract that

Alex Murdaugh's family was considering entering into in or around November 2021 when the Co-Receiver's were appointed. The Co-Receiver's expect the sales contract to be finalized in coming weeks and will present it to the Court for approval.

7. The Co-Receiver's have worked with the Estate of Maggie Murdaugh on the proposed sale of Moselle, the approximately 1,770 acre property in Hampton and Colleton Counties where the Murdaugh's resided. Alex Murdaugh conveyed Moselle to Maggie Murdaugh on December 20, 2016. The Estate has listed Moselle for sale for \$3,900,000. Alex Murdaugh is the sole beneficiary of Maggie's Estate and the Co-Receiver's believe the proceeds from any sale rightfully belong in the Receivership. As such, the Co-Receiver's are in the process of evaluating the listing price and the offers. Additional information concerning Moselle is discussed below.

8. The Co-Receiver's have been able to reach an agreement with Palmetto State Bank regarding the loan and subsequent mortgage on the Edisto Beach House, accept the principal amount of the loan as satisfaction of the loan and release of the mortgage securing the property.

B. Edisto Beach House

Currently pending before this Court is a Motion for the approval of the sale of the Murdaugh's home on Edisto Beach, South Carolina. The property is owned jointly by Alex Murdaugh and Maggie Murdaugh, and Maggie Murdaugh's Estate and the Co-Receiver's have coordinated on its listing. The Edisto House is under contract for sale (pending Court approval) for \$955,000. To sell the property, the Co-Receiver's retained a real estate agent and commissioned an appraisal to determine the value of the Edisto House and facilitate the listing and sale. The Co-Receiver's also incurred several expenses necessary to list the house for sale and sell it. Court permitting, the Co-Receiver's intend to be reimbursed at closing for a portion of those expenses including: (1) \$500 for the appraisal report on 3606 Big Bay Drive; (2) \$528.15 for payment of

past due water bill to restore water service and clear title; and (3) \$980.00 for the repair of the air-conditioning unit at the Edisto Beach House.

The Edisto Beach House is subject to a mortgage held by Palmetto State Bank. The Co-Receiver negotiated with Palmetto State Bank and the Bank agreed to release their lien upon receipt of \$203,329.71 and forego \$19,195.64 of interest and late charges. The remaining proceeds from the sale after satisfying the mortgage and covering closing costs, realtor fees and other expenses will be distributed evenly to the Receivership Estate and to Maggie Murdaugh's Estate.

C. Berkeley County Properties

Alex Murdaugh also has a beneficial interest in real property located in Berkeley County through two limited liability companies: Redbeard, LLC and 0 United, LLC. The Co-Receiver have received offers for the sale of these properties and are currently working towards a proposed sale which will hopefully be presented to the Court in the near future.

D. Beaufort County Islands

Alex Murdaugh owned at least seven islands in and around Beaufort County ranging in size from 20.05 acres to 0.08 acres, either directly as a co-owner or as co-owner through an entity or joint venture. Three of these islands were jointly owned by Alex Murdaugh and Barrett T. Boulware. Of those three, the Co-Receiver and the Estate of Barrett T. Boulware have received an offer on largest of those islands ("Williams Island"). The Co-Receiver are currently considering the offer. Palmetto State Bank does have a mortgage lien against the three islands co-owned by Barrett Boulware and Alex Murdaugh. Similar to the Berkeley Properties, the Co-Receiver hope to be able to present a sale for the Court's approval in the very near future.

E. Moselle

The Murdaugh's residence, commonly known as Moselle, was conveyed by Alex Murdaugh to Maggie Murdaugh on December 20, 2016. Therefore, the sale of the property is being driven by the Maggie Murdaugh's Estate. The personal representative for the Estate, John Marvin Murdaugh, listed the property for sale for \$3,900,000.00. However, as Alex Murdaugh is the sole beneficiary of the Estate and the Co-Receivers believe Moselle is a "Subject Asset" per the Order, the Co-Receivers have coordinated with the Estate and monitored the listing and sale of Moselle. The Estate has received an offer for the sale of Moselle. The Co-Receivers have reviewed the broker's opinion and have retained an appraiser to review the listing and potential sale price.

II. NEXT STEPS

The Co-Receivers are continuing to investigate Alex Murdaugh's assets and financial history to identify additional assets, potential fraudulent conveyances, and other claims or rights which will benefit the Receivership Estate. As noted above, there are several real properties which should sell in short order because of demands made by the Bank regarding past due loans. The Co-Receivers are working to maximize the net-profits from these sales to the Receivership Estate. The Co-Receivers anticipate assets will continue to be sold and the Receivership Estate's liquid assets should continue to grow.

Prior to the injunction, the Murdaugh family disposed of Alex Murdaugh's assets and funneled the profits or assets to preferred creditors. The receivership and injunction imposed by this Court was vital to halt these preferential transfers. As made crystal clear by John Marvin Murdaugh's recently filed affidavit filed by Alex Murdaugh and Buster Murdaugh in support of their Motion to Reconsider the Order implementing the injunction and receivership (attached as Attachment 1), the Murdaugh family disposed of Alex Murdaugh's assets and paid down the one Palmetto State Bank loan owed and co-signed by Alex Murdaugh's father, Randolph Murdaugh

III (Loan # 6991524). The intent and effect of designating the monies from the sale of Alex Murdaugh Assets was to reduce the Bank's creditor claim on Randolph Murdaugh III's Estate to the benefit of John Marvin Murdaugh's and other family members' inheritance. If these and other transactions cannot be unwound by negotiation, the Co-Receivers will need to litigate these issues.

III. Pending Motions and Other Potential Need for Court Involvement

As the Court is aware, there are several pending motions scheduled to be heard May 6, 2022. These are the only motions needing the Court's consideration that the Co-Receivers are aware of at this time. The Co-Receivers will alert the Court if and when additional motions are filed and ripe for hearing.

We are happy to answer any additional questions the Court may have.

Respectfully submitted,

s/Amy L.B. Hill
Amy L.B. Hill, SC Bar No. 68541
Gallivan White & Boyd, PA
Post Office Box 7368
Columbia, South Carolina 29202
(803) 779-1833
ahill@gwblawfirm.com

*Counsel for Co-Receivers
John T. Lay and Peter McCoy*

May 5, 2022