

acknowledge Murdaugh is facing significant criminal charges and that mounting a defense to the same may be costly. After discussion and negotiation, the Co-Receivers and Murdaugh have reached an agreement whereby the Co-Receivers do not oppose Murdaugh's ability to acquire funds from his 401K fund for use in his criminal defense. In exchange Murdaugh has agreed that a portion of the 401K fund will be provided to the Co-Receivers for the Receivership Estate. Therefore, the Co-Receivers, with the consent of Murdaugh, request that the Court, in response to Murdaugh's Motion, enter an Order including the following conditions:

1. Murdaugh liquidates the entirety of his 401K account and pays the resulting tax liabilities and penalties associated with the same;
2. Murdaugh retains \$600,000 for the sole purpose of funding his criminal defense. Such funds will be immediately transferred to his counsel to hold in trust and be used solely for legal expenses and costs associated with the defense of his criminal prosecution. To the extent any funds remain after the conclusion of any criminal trial and appeal thereof, they shall be provided to the Co-Receiver for deposit to the receivership's Qualified Settlement Fund (the "Fund");
3. The remainder of funds made available by Murdaugh's liquidation of his 401K account shall be provided to the Co-Receivers for deposit to the Fund for administration consistent with the Receivership as ordered by the Court; and
4. Murdaugh shall not use any money so withdrawn for any other purposes.

The above proposal furthers and is consistent with the Co-Receivers' duties and obligations and accrues to the benefit of Murdaugh's creditors and potential creditors. The Co-Receivers obtain access to and control over funds otherwise statutorily restricted from the Receivership. In the absence of the relief sought, these funds may remain in Murdaugh's 401K indefinitely. Based on estimates of

federal tax penalties and tax liabilities, the Co-Receivers anticipate they will receive approximately \$300,000 as a result of this proposal. Meanwhile, the funds retained by Murdaugh are restricted to legal defense and not permitted to be used for living expenses or other indulgences. No funds liquidated under this proposal would remain available to Murdaugh for any other purpose at any time – both now and after his criminal prosecution. Therefore, the proposal increases the fund’s value for the benefit of Mr. Murdaugh’s creditors.

The above proposal would inure to the benefit of the Court, the Fund, and Murdaugh’s creditors. Therefore, for the reasons stated herein, the Co-Receivers request the Court grant Murdaugh’s motion subject to the restrictions detailed herein.

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