

STATE OF SOUTH CAROLINA)
) IN THE COURT OF COMMON PLEAS
) NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON) Case No. 2021-CP-10-4104

John R. "Jack" Hibbits,)
)
) Plaintiff,)

versus)

AFFIDAVIT OF JOHN R. "JACK" HIBBITS

Kenneth C. "Clay" Thornton, Halo)
) and Company, LLC, and Bank of)
) America, NA,)
)
) Defendants.)

The affiant, John R. "Jack" Hibbits, being duly sworn, deposes and states as follows:

1. I am an adult and am competent to make the statements contained in this affidavit. The statements contained herein are of my own personal knowledge. I am the plaintiff in the above matter.
2. I connected Clay Thornton ("Thornton") with staff in the procurement department of the Medical University of South Carolina ("MUSC") to make sales of personal protective equipment needed during the Covid pandemic as a sales representative of Halo and Company. I specifically introduced Thornton to Jennifer Simon, through whom MUSC purchased thermometers, gloves, and swabs. At the same time as Ms. Simon was purchasing that equipment, discussions were begun on MUSC purchasing a substantial number of high-quality protective gowns through Halo and Company.
3. Attached as Exhibit A are examples of emails between MUSC employees, Thornton, and me regarding MUSC purchasing the gowns. I was routinely involved in those discussions until mid-July of 2020.



4. At some point in mid- to late- July of 2020, after the first round of gowns were delivered to MUSC, Thornton cut me out of the discussions with MUSC over the gowns, and continued the discussions without me. I continued to try and be involved in these discussions, following up with Thornton on a number of issues, including the quality of the gowns and whether they would meet MUSC's stringent needs. Thornton, however, refused to respond to me. On one occasion in approximately February of 2021 when I saw Thornton at a restaurant, he became violent and threatened me. After that event, he refused to respond at all.
5. In the spring of 2021, I became aware that MUSC had been paying for the gowns in tranches, from which I am entitled a commission of 25%. Thornton was still refusing to respond to me. So, I tried to obtain information on the payments and my commission from other sources.
6. I reached out to Joe Olmeda, who is the president and managing member of Le Rouge Medical, LLC. At various times, Thornton has held himself out as Vice President of Sales for Le Rouge, an employee of Le Rouge. Exhibit B, Email from Thornton with Le Rouge signature block. Regardless, all the equipment Halo and Company sold MUSC was brought into the United States through Le Rouge.
7. Most of my communications with Olmeda were texts using What's App. Olmeda told me that Thornton was having difficulty getting MUSC to pay the final portion of the invoice for the gowns. In the normal course of our dealings with MUSC, Le Rouge (through Thornton) would issue an invoice for payment for the equipment. MUSC would wire payment to Le Rouge. Le Rouge would wire to Halo and Company the commission due



to Thornton and me. I texted Olmeda to find out if he had sent the wire to Halo and Company for my share of the commission.

8. In fact, emails obtained from MUSC, show that Thornton tried for more than seven months to get the final invoice paid, but that MUSC had concerns over the accuracy of the invoice. Attached as Exhibit C are several example emails between Thornton and MUSC's procurement office regarding paying the invoice. These emails show the difficulty Thornton had in getting the invoice paid.
9. To my surprise, Olmeda called me on July 2, 2021, at 12:38pm. My cell records reflect we had a 19-minute conversation. He seemed to be calling to discuss his desire to wrap the MUSC gown payment up for Le Rouge and help me get paid. During that call, Olmeda indicated his mutual frustration with Thornton and his explosive personality. He also told me that Thornton was desperate for money.
10. In that phone conversation on July 2, 2021, Olmeda told me that Thornton was having difficulty closing out the MUSC invoice because of questions being raised over its accuracy. Olmeda told me that Thornton contacted Michael Stavrinakas, a member of MUSC's Board of Trustees that represents the Charleston area. Olmeda told me that Thornton paid Michael Stavrinakas more than \$40,000.00 to use his influence as a trustee to have the invoice paid without further question. When Olmeda said this, my response was, "Wow, so Clay paid Stavrinakas? He's a board member at MUSC, holy [expletive]...he can't do that." It did not sound like Olmeda knew who Stavrinakas was or what his role was with MUSC. I understood this payment from Thornton to Stavrinakas to be a kickback or form of bribe/payola for helping get the invoice paid by MUSC.

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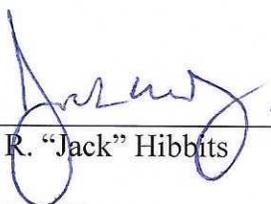
11. I know now that Le Rouge had been paid the money from MUSC a month earlier than Olmeda's call and that Olmeda was calling me for some other purposes I can only guess. See Exhibit D. While I was on the phone with Olmeda, Josh Davis, who works in the procurement department in MUSC, contacted me. I placed Olmeda on hold and attempted to have Davis added to our call. Olmeda hung up instead and refused to answer my subsequent calls.
12. I am informed Olmeda has been instructed by Thornton's lawyers not to speak to me citing a non-disclosure agreement they have between them.
13. Thornton has acknowledged under oath that Bank of America account ending in 1504 is his primary (if only account) to receive Halo revenue and to pay business and personal expenses. The payment to Stavrinakas by Thornton likely will be shown in those records. It is my belief that is why Thornton and his counsel are so insistent in hiding the transactions shown in the bank statements from those accounts.

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14. I am also informed by people close to the Thornton family (with whom I have a longstanding relationship) that, in the winter of 2020, Thornton's home was search by Federal Bureau of Investigation agents in a price gouging investigation involving personal protective equipment sold by Thornton. Presumably, since the Bank of America account is his primary account, there is information in the bank statements which may bear on that investigation.

FURTHER THE AFFIANT SAYETH NOT!



John R. "Jack" Hibbits

SWORN TO AND SUBSCRIBED BEFORE ME

This 9th day of March, 2022



Notary Public of South Carolina

My Commission Expires: May 31, 2024