

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION**

Nautilus Insurance Company,

C/A No.: 2:22-cv-1307-RMG

Plaintiff,

v.

Richard Alexander Murdaugh, Sr.; Cory Fleming, Moss & Kuhn, P.A.; Chad Westendorf; and Palmetto State Bank,

Defendants.

**MOTION TO COMPEL JOINDER OR
TO DISMISS FOR FAILURE TO JOIN
NECESSARY PARTIES**

Defendant Richard Alexander Murdaugh, Sr., pursuant to Rules 12(b)(7), 12(c), and 19(a) of the Federal Rules of Civil Procedure, hereby moves to dismiss the amended complaint (ECF No. 8) if Plaintiff fails to join necessary parties, namely, Tony Satterfield and Brian Harriott (collectively, the “Satterfield Parties”), within a deadline set by the Court.

I. Background

Defendant Richard Alex Murdaugh was a lawyer and formerly a partner at the law firm Peters, Murdaugh, Parker, Eltzroth, and Detrick, P.A. (PMPED). Following the murder of his wife Maggie and son Paul on June 7, 2021, Mr. Murdaugh’s opioid addiction spiraled out of control. Also, during that time, PMPED began to investigate missing fees from Mr. Murdaugh’s cases. On September 3, 2021, PMPED confronted Mr. Murdaugh about the missing fees. Mr. Murdaugh admitted to misconduct and resigned from PMPED. The following day, Mr. Murdaugh was shot in the head by Curtis Eddie Smith, his drug dealer, in a failed assisted suicide attempt.

Mr. Murdaugh thereafter began in-patient drug rehabilitation. On September 15, 2021, warrants were issued in Hampton County for his arrest on charges of insurance fraud, conspiracy to commit insurance fraud, and making a false police report, all arising from his failed suicide attempt. Also on September 15, 2021, the Satterfield Parties filed an action in the Hampton County

Court of Common Pleas action alleging Mr. Murdaugh stole proceeds from the settlement of claims arising from the death of Mr. Murdaugh's longtime housekeeper, Gloria Satterfield, at Mr. Murdaugh's Colleton County residence.

On February 2, 2018, Ms. Satterfield fainted and fell down the front steps at his residence in Colleton County. Mr. Murdaugh was not present when she fell, but he arrived on the scene before emergency medical services (EMS). Ms. Satterfield was hospitalized. While in the hospital, she suffered a stroke and died on February 26, 2018. She was survived by her sons Tony Satterfield and Brian Harriott. Mr. Murdaugh claimed Ms. Satterfield briefly regained consciousness before EMS arrived on February 2, 2018, and told him, but no one else, that Mr. Murdaugh's dogs caused her fall, thereby implicating over \$5.5 million in insurance coverage—primary coverage of \$505,000 under a Lloyd's of London policy, and umbrella coverage of \$5,000,000 under a Nautilus Insurance Company policy. No dogs were mentioned or heard in the background in the 911 call, there were no dogs at the scene when first responders arrived, no witness ever said dogs were at the scene, and Ms. Satterfield never told anyone that the dogs tripped her—except, purportedly, once to Mr. Murdaugh when no one else was around. In fact, she later stated she did not know why she fell.

Mr. Murdaugh did not mention anything about dogs tripping Ms. Satterfield until well after her fall. As an experienced personal injury lawyer, Mr. Murdaugh knew if his dogs tripped her, South Carolina law would impose strict liability against him, for which he had \$5.5 million in insurance coverage. Having invented the predicate for liability, Mr. Murdaugh persuaded Ms. Satterfield's sons to assert a claim against his insurance. During the prosecution of the claim, however, Mr. Murdaugh decided to steal the settlement proceeds.

There is not a scintilla of evidence that Mr. Murdaugh ever told any other defendant in this action (or anyone else) that he invented the story about dogs or that they otherwise knew he invented the story until after his arrest years later. There is no reason to believe he ever told them because doing so could not advance his fraudulent scheme in any way. It could only risk thwarting it. In fact, he invented the story about the dogs well before Chad Westendorf and Palmetto State Bank were ever involved with this claim.

Lloyd's of London issued a settlement check for \$505,000, the full policy limits for the primary coverage, on December 4, 2018. On January 7, 2019, the net proceeds were disbursed, payable to "Forge," ostensibly meaning Forge Consulting, LLC, a legitimate company, which Mr. Murdaugh deposited in a personal account denoted as "doing business as" Forge. At a March 22, 2019, mediation, Nautilus agreed to pay \$3,800,000 of the \$5,000,000 limit (the "Claim Payment"). Mr. Westendorf signed a release of claims against Mr. Murdaugh as personal representative of the estate on April 11, 2019, acknowledging receipt of the \$505,000 settlement payment from Lloyd's of London and the \$3,800,000 from Nautilus. On May 15, 2019, the Nautilus net proceeds of \$2,765,000 were disbursed to Mr. Murdaugh's fake Forge account.

On October 13, 2021—two-and-a-half years after Nautilus made the Claim Payment—Judge Clifton Newman issued arrest warrants for Mr. Murdaugh for obtaining property by false pretenses. The charges arose from law enforcement's investigation into Plaintiffs' allegations in this case that Mr. Murdaugh misappropriated settlement funds. The affidavit supporting warrant K-235570 concerning Mr. Murdaugh's theft of the Nautilus Claim Payment and sworn to by South Carolina Law Enforcement Division (SLED) special agent Phillip Turner states:

On February 2, 2018, Gloria Ann Satterfield fell and hit her head at Richard Alexander Murdaugh's residence at 4147 Moselle Road in Islandton, SC. Ms. Satterfield later had a stroke, went into cardiac arrest, and died on February 26, 2018.

Mr. Murdaugh coordinated with Ms. Satterfield's family to sue himself in order to seek an insurance settlement with the stated intent to give the proceeds to the Satterfield family to pay for funeral expenses and monetary compensation for Satterfield's children. Mr. Murdaugh recommended the Satterfield family hire Cory Fleming of the Moss, Kuhn, and Fleming law firm to represent them.

Mr. Fleming brokered insurance settlements in the amount of approximately \$4,305,000. A settlement agreement stipulated that \$2,765,000 was designated for the Satterfield family. The Satterfield family were never notified of the settlements nor received any of the proceeds from them, and the settlement agreement was not properly filed in the court record.

The affidavit goes on to describe how Mr. Murdaugh stole the funds by having the settlement checks made payable to "Forge," which he then deposited in a personal account opened under his own name "doing business as" Forge. A second warrant concerns the \$505,000 settlement Mr. Murdaugh stole from Lloyd's of London.

The next day, Mr. Murdaugh was arrested as he left a drug rehabilitation center in Florida. He has been incarcerated ever since. The warrants became public then or shortly after. The Satterfield Parties' lawsuit, filed on September 15, 2021, originally alleged only the \$505,000 settlement with Lloyd's of London. It did not allege anything about dogs, instead stating that the details of the fall are unknown to Plaintiffs. Nor did it contain allegations regarding the Nautilus settlement.

In October 2021, the Satterfield Parties moved for the appointment of co-receivers under South Carolina Code Ann. § 15-65-10(1). That motion was simultaneously made in other civil actions against Mr. Murdaugh and was granted on November 4, 2021, by Judge Daniel D. Hall in the case *Renee S. Beach, et al. v. Gregory M. Parker, Inc., et al.*, Case No. 2019-CP-25-00111 (Hampton Cnty. Ct. Common Pleas). John T. Lay and Peter M. McCoy were subsequently appointed co-receivers and all assets held by Mr. Murdaugh have been placed under the co-receivers' authority.

On December 6, 2021, the Satterfield Parties amended their complaint to add allegations about the Nautilus settlement, Bank of America, and Curtis Eddie Smith as defendants, and further details about the scheme. Amended Complaint, *Satterfield v. Murdaugh*, Civ. No. 2021-CP-25-00298 (Hampton Cnty. Ct. Com. Pl.) (**Exhibit A**). Mr. Murdaugh's statement about dogs is mentioned in passing. *Id.* ¶¶ 13, 17. Two days after that, Mr. Murdaugh and the Satterfield Parties agreed to a \$4.305 million confession of judgment with setoffs for amounts previously paid by other defendants, which at that time was already more than the amount of the confessed judgment. Thus, the confession would not actually require Mr. Murdaugh to pay anything. A day later, Palmetto State Bank settled with the Satterfield Parties. At a December 2021 bond hearing, counsel for the Satterfield Parties stated that \$7.5 million had been recovered to date. In the following months, the Satterfield parties settled with Bank of America and Mr. Flemming and his law firm. The amounts are not publicly known but are in addition to the \$7.5 million announced in December 2021.

Execution and entry of the confession of judgment was delayed at the request of the Satterfield Parties, and by the need for receivership approval to confess judgment. The co-receivers filed the proposed confession of judgment on March 24, 2022, which was executed on May 27, 2022. ECF No. 36-1. Mr. Murdaugh has since filed a motion to set the confessed judgment aside, arguing the confessed judgment is void for failure to comply with South Carolina law regarding confessed judgments and that it should be set aside under Rule 60(b)(3), SCRCP. ECF No. 131-1. That motion is currently pending.

Meanwhile, on April 22, 2022, Nautilus filed the present action seeking declaratory relief to adjudicate Mr. Murdaugh's privilege assertions regarding its claims file in the Satterfield matter, which had been subpoenaed by a federal grand jury. ECF No. 1. On May 11, 2022, Nautilus

amended the complaint to allege Mr. Murdaugh invented the story about dogs causing Ms. Satterfield's fall and asserting causes of action to recover the funds it paid. ECF No. 8 ¶¶ 22–24.

On July 14, 2022, Mr. Murdaugh was indicted for the murder of his wife Maggie and son Paul. The Court stayed the present action pending completion of Mr. Murdaugh's murder trial. Mr. Murdaugh was convicted and was sentenced on March 3, 2023, to two consecutive life sentences.

On May 1, 2023, Mr. Murdaugh answered the amended complaint. ECF No. 113. In his answer, Mr. Murdaugh admits that he invented the story about dogs knocking Ms. Satterfield down for the purpose of causing Lloyd's of London and Nautilus Insurance Company to pay to settle a false insurance claim. He further admits that he stole the settlement proceeds by persuading others to disburse funds as checks payable to "Forge," meaning Forge Consulting, which he then caused to be deposited in a personal account named "Forge," which he controlled. *Id.* ¶¶ 5, 8, 13–14. He denies that any other person was aware of his intent to steal all of the settlement proceeds or that anyone was aware he invented the story about dogs knocking Ms. Satterfield down the stairs at Moselle. *Id.* ¶ 6, 12, 13. He asserts an affirmative defense that Nautilus has failed to join the Satterfield Parties, who are necessary parties under Rule 19(a)(1) of the Federal Rules of Civil Procedure because they "claim[] an interest relating to the subject of this action." *Id.* ¶ 25.

II. Legal Standard

A party is necessary if

- (A) in that person's absence, the court cannot accord complete relief among existing parties; or
- (B) that person claims an interest relating to the subject of an action and is so situated that disposing of the action in the person's absence may: (i) as a practical matter impair or impede the person's ability to protect the interest; or (ii) leave an existing party subject to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations because of the interest.

Fed. R. Civ. P. 19(a). “A necessary party should be ordered into the action.” *McKiver v. Murphy-Brown, LLC*, 980 F.3d 937, 950 (4th Cir. 2020). “When making that determination, the court must base its decision on the pleadings as they appear at the time of the proposed joinder.” *Reg. v. Cameron & Barkley Co.*, 467 F. Supp. 2d 519, 530 (D.S.C. 2006). However, “the court may also consider materials outside the pleadings in making its determination.” *Rogers v. Rowland*, No. CV 2:22-00279-RMG, 2022 WL 17960777, at *2 (D.S.C. Dec. 27, 2022). A Rule 12(b)(7) motion may be made at any time before or at trial. Fed. R. Civ. P. 12(h)(2).

III. Argument

The Satterfield parties are “necessary” to this action under Rule 19(a) of the Federal Rules of Civil Procedure because, as explained below, they “claim[] an interest relating to the subject of [this] action and . . . disposing of th[is] action in [their] absence may: . . . (ii) leave an existing party subject to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations because of the interest.” Because their joinder is feasible, the Court need not determine whether they are indispensable and instead should order Nautilus to join them in this action. *See McKiver*, 980 F.3d at 950.

The Satterfield Parties assert the Claim Payment was properly paid by Nautilus,¹ but Mr. Murdaugh intercepted the payment and stole it. If true, Mr. Murdaugh would owe the money to the Satterfield Parties, but Nautilus would have no damages. Other persons or entities who allegedly helped Mr. Murdaugh intercept and steal the money could also be liable if those allegations were proven. Nautilus claims Mr. Murdaugh invented the claim to steal the money from Nautilus by false pretenses, using the Satterfield Parties as unknowing “patsies” from whom

¹ Although the Satterfield Parties might claim to be agnostic as to the propriety of the Claim Payment, they can hardly take the position that Nautilus made a payment intended for their benefit only because it was fraudulently induced to do so, while simultaneously asserting a legal right to receive that payment.

Mr. Murdaugh could intercept any payment by Nautilus by taking advantage of their trust and vulnerability. If true, Mr. Murdaugh would owe the money to Nautilus. He likely also committed a tort against the Satterfield Parties, but their damages would be their harm resulting from Mr. Murdaugh taking advantage of them as part of his insurance fraud scheme, not the amount of money he was able to steal from Nautilus. The Satterfield Parties would have no valid claim to any portion of the proceeds of his insurance fraud and so could not complain that Mr. Murdaugh failed to deliver a portion of the proceeds of the fraud to them. Their claim against Mr. Murdaugh would be best stated as a complaint for intentional infliction of emotional distress, in South Carolina law called “outrage,” an apt word for Mr. Murdaugh’s conduct.

Nautilus claims the latter is true—and Mr. Murdaugh admits it is true. The Satterfield Parties, however, claim the former is true, and that Mr. Murdaugh stole that same \$3.8 million from them that Nautilus seeks to recover in this action. They have a judgment against him for stealing that same \$3.8 million (if Mr. Murdaugh’s pending Rule 60(b) motion is successful, they will have a pending lawsuit claiming the same money). The Satterfield Parties’ claimed interest in the subject of this action therefore exposes Mr. Murdaugh to a substantial risk of incurring double, multiple, or otherwise inconsistent obligations because of the interest the Satterfield Parties claim in the subject of this action. *Compare Ex. A (Satterfield Amended Complaint) with ECF No. 8 (Amended Complaint in this action).*

Of course, that risk cannot affect Mr. Murdaugh’s quality of life. He is in prison and every asset he once had is in the custody of the receivers the Satterfield Parties requested be appointed. If Nautilus obtains a judgment against Mr. Murdaugh with no offsets for the third-party recoveries the Satterfield Parties have obtained, the only effect will be to reduce funds available to Mr. Murdaugh’s many other victims. Banks and others paid restitution for the money Mr. Murdaugh

stole because they realized they might share some liability with Mr. Murdaugh for his thefts. They paid the restitution to the Satterfield Parties because they thought Mr. Murdaugh stole their money. Had they known the money was stolen from someone else, they presumably would have paid that someone else.

Thus, that “someone else”—Nautilus—potentially has equitable restitution claims to funds paid by banks and others as restitution for a theft from Nautilus. *See Restatement (Third) of Restitution and Unjust Enrichment* § 6 (“Payment by mistake gives the payor a claim in restitution against the recipient to the extent payment was not due.”); § 47 (“If a third person makes a payment to the defendant in respect of an asset belonging to the claimant, the claimant is entitled to restitution from the defendant as necessary to prevent unjust enrichment.”); § 48 (“If a third person makes a payment to the defendant to which (as between claimant and defendant) the claimant has a better legal or equitable right, the claimant is entitled to restitution from the defendant as necessary to prevent unjust enrichment.”). The Restatement expresses the common-sense principle that if restitution for stolen money is given to the wrong party, the actual victim has a claim on that restitution even if the source of the restitution is a third-party paying on behalf of, or because of perceived joint liability with, the thief.

To prevail in the instant motion, however, Mr. Murdaugh need not prove claims for restitution on behalf of Nautilus. Restitution sounds in equity. Based on the adjuster communications contained in the claims file, it appears Nautilus never believed the claim about dogs was valid but nonetheless agreed to pay the Satterfield Parties. That weighs against an equitable claim for restitution from the Satterfield Parties. Further, if restitution is owed to Nautilus, the Satterfield Parties would have their own equitable claim of quantum meruit for the hard work of recovering money Nautilus says was stolen from it yet did nothing to recover. It may

be that in equity Nautilus should take nothing from the Satterfield Parties. Unlike Nautilus, the Satterfield Parties believed they had a valid wrongful death claim, and, unlike Nautilus, they successfully recovered the settlement proceeds that they believed were stolen from them.

But, again, it is not Mr. Murdaugh's burden to show the Satterfield Parties owe anything to Nautilus. Mr. Murdaugh's burden is only to show that the Satterfield Parties' claim that he stole the Claim Payment from them is inconsistent with Nautilus's claim that he stole the Claim Payment from Nautilus and creates a risk of double obligations to repay the Claim Payment. *See Rule 19(a)(1)(B).* Mr. Murdaugh respectfully submits that is self-evident from the pleadings. *Compare Ex. A (Satterfield Amended Complaint) with ECF No. 8 (Nautilus's Amended Complaint).* It simply cannot be the case that Mr. Murdaugh owes \$3.8 million to Nautilus because he tricked Nautilus into disbursing it **and** that he owes the same \$3.8 million to the Satterfield Parties because he stole it from them after Nautilus properly disbursed it.

Mr. Murdaugh's assets have been marshalled in receivership for the benefit of his victims and creditors. Claims against the receivership exceed the assets. Thus, having Mr. Murdaugh pay Nautilus is not an option—either the Satterfield Parties will pay Nautilus, Mr. Murdaugh's other victims and creditors will pay Nautilus, or no one will. Mr. Murdaugh does not know whether Nautilus has a superior claim to anything the Satterfield Parties have recovered from third parties. But he respectfully submits that if the Court determines Nautilus is entitled to restitution for the money stolen from it, equity requires that the restitution should come from the party that has already received a double recovery for this same theft, not from the victims of other, unrelated thefts by Mr. Murdaugh. Consequently, joinder of the Satterfield Parties is “needed for a just adjudication” of Nautilus's claims against Mr. Murdaugh. *See Am. Gen. Life & Acc. Ins. Co. v. Wood*, 429 F.3d 83, 92 (4th Cir. 2005).

IV. Conclusion

For the foregoing reasons, the Court should dismiss this action if Plaintiff does not join the necessary parties within a deadline set by the Court, or, alternatively, dismiss this action with leave to refile a complaint joining the necessary parties within a deadline set by the Court.

Respectfully submitted,

s/Phillip D. Barber

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July 28, 2023
Columbia, South Carolina.

Nautilus Insurance Company v. Richard Alexander Murdaugh, et al.

C/A No. 2:22-cv-1307-RMG

Richard Alexander Murdaugh's Motion to Compel Joinder or Dismiss for Failure to Join
Necessary Parties

EXHIBIT A

(Amended Complaint, *Satterfield v. Murdaugh*, Civ. No. 2021-CP-25-00298)

STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
COUNTY OF HAMPTON)	FOR THE FOURTEENTH JUDICIAL CIRCUIT
)	CIVIL ACTION NO.: 2021-CP-25-00298
Michael "Tony" Satterfield, Individually)
and in his Capacity as the Personal)
Representative of the Estate of Gloria)
Satterfield and Brian Harriott,)
)
Plaintiffs,)
)
vs.)
)
Richard Alexander "Alex" Murdaugh, Sr.)
and Bank of America, N.A.,)
)
Defendants.)
)

AMENDED COMPLAINT

Jury Trial Demanded!

The Plaintiffs, complaining of the conduct of the Defendants herein, allege as follows:

INTRODUCTION

As detailed herein, Bank of America, N.A. ("BOA") acted as Alex Murdaugh's ("Murdaugh") **BANK OF FRAUD**. Specifically, BOA aided and abetted Murdaugh's financial crimes and money laundering.¹ By flexing their own rules and ignoring banking customs, BOA helped Murdaugh establish his fake Forge accounts, which Murdaugh funded with stolen money from the Plaintiffs, as well as other victims and/or PMPED² clients. Once he was in possession of his ill-gotten gain, Murdaugh engaged in other suspicious banking conduct with BOA should have identified. For example, from one of Murdaugh's fake BOA accounts, he issued 17 cashier's checks to Charles E. Smith (a/k/a Cousin Eddie) totaling \$164,748.76.³ In addition, Murdaugh

¹ On November 18, 2021, Murdaugh was issued 27 indictments for financial crimes, nine of which pertain to the Plaintiff's money, including counts for money laundering \$403,500.00, money laundering \$2,961,931.95 and money laundering \$118,000.00.

² Peters, Murdaugh, Parker, Eltzroth & Detrick, PA

³ These cashiers checks were issued between October 8, 2019 and May 28, 2021 from a fake "Forge" account as is described herein.

transferred huge sums of stolen money from his fake Forge accounts to a personal checking account which Murdaugh also established at BOA. From one such account, Murdaugh separately issued 254 personal checks to Cousin Eddie totaling \$1,825,560.95.

BOA was the last clear chance to stop Murdaugh's criminal activities; instead of acting as a good corporate citizen, BOA chose to cash in on his crimes. To be clear, BOA made significant fees from Murdaugh's accounts, presumably loaned money based on his stolen deposits and collected interest on the same. But what is truly unbelievable is that even after Murdaugh's fraud and theft was exposed, BOA failed to terminate Murdaugh as a customer.⁴

Through this Amended Complaint, Plaintiffs seek to hold BOA accountable for its deceptive business practices and its conspiracy with Murdaugh.⁵ Murdaugh did not act alone. BOA is the bank of a money launderer. BOA is a bank of fraud. They are nothing more than a high-tech laundromat.

PARTIES & JURISDICTION

1. Plaintiff Michael "Tony" Satterfield ("Tony") is a citizen and resident of Hampton County, South Carolina, and he brings this action both individually and in his capacity as the Personal Representative of the Estate of Gloria Satterfield ("Estate"), Hampton County Probate Court No: 2018-ES-25-0056, on behalf of the Estate.

2. Plaintiff Brian Harriott ("Brian") is a citizen and resident of Hampton County, South Carolina and the half-brother of Tony.

⁴ Upon information and belief, Murdaugh may have been a BOA customer as late as November 23, 2021.

⁵ See Plaintiffs' SCUPTA and civil conspiracy claims below.

3. Upon information and belief, Defendant Richard Alexander “Alex” Murdaugh, Sr. (“Murdaugh”) is a citizen and resident of Colleton County, South Carolina and at all times relevant hereto was a lawyer licensed to practice law in the State of South Carolina.⁶

4. Upon information and belief, Bank of America, N.A. (“BOA”) is a Delaware corporation registered to conduct business in the State of South Carolina as a foreign corporation and is a federally charted banking institution with its principal place of business located in Richland County, South Carolina.

5. This court has jurisdiction over the parties to and the subject matter of this litigation.

6. Venue of this action is proper in this court.

FACTUAL BACKGROUND

7. The Murdaughs are a prominent and wealthy family based in Hampton County who for generations controlled the Hampton County Solicitor’s Office and who remain the preeminent legal family in the area.

8. Prior to her untimely death on February 26, 2018, Gloria Satterfield (“Gloria”) had worked for Murdaugh and his family as a housekeeper and nanny for over two decades.

9. Gloria was told she was an extension of the Murdaugh family after helping to raise the two Murdaugh boys, Buster and Paul, and she believed it to be true, as did her sons who are the Plaintiffs in this matter.

10. Both Gloria and the Plaintiffs revered Murdaugh and respected his position of prominence in Hampton County.

11. While Gloria was proud of her association with the Murdaugh family, she was most proud of her two sons, Tony and Brian.

⁶ On September 8, 2021 Murdaugh was temporarily suspended from the practice of law by the South Carolina Supreme Court.

12. On February 2, 2018, Gloria fell while working in Murdaugh's home.
13. According to the Murdaughs and as reported to Gloria's family and others, Gloria's fall down the exterior stairs of the Murdaughs' Moselle, South Carolina home in Colleton County, South Carolina was caused accidentally by the Murdaughs' dogs.
14. On February 26, 2018, Gloria died as a result of injuries sustained in the fall after spending approximately three (3) weeks in Trident Hospital in Summerville, South Carolina with traumatic brain injuries.
15. Gloria was fifty-seven (57) years old at the time of her death.
16. Gloria died intestate. Because she died without a Last Will and Testament, in accordance with the South Carolina statute for intestate succession, Gloria's sole legal heirs were Tony and Brian.
17. After Gloria's death, Murdaugh told Tony and Brian's uncle and aunt that he was going to take the boys to see an attorney he "knew" who would represent them in making claims against Murdaugh because it was his dogs that caused his mother's death and he was therefore legally responsible for Gloria's death.
18. Sometime after their mother's funeral, Murdaugh personally introduced Tony to Corey Fleming, Esquire ("Fleming"), who at the time was a partner in of a Beaufort, South Carolina law firm.
19. Murdaugh sent Tony to meet Fleming at Fleming's office and encouraged Tony and his brother to retain Fleming to represent them in bringing legal claims against Murdaugh in connection with their mother's death.
20. The Plaintiffs did not otherwise know anything about Fleming, but they didn't need to know anything about Fleming— they trusted Murdaugh.

21. Unbeknownst to Tony and Brian, Fleming was a former college roommate of Murdaugh and was his best friend.

22. Also unbeknownst to Tony and Brian, Fleming was the Godfather of Murdaugh's son, Paul Murdaugh

23. Upon information and belief, Fleming had been co-counsel or he worked with Murdaugh on many other cases.

24. Tony met with Fleming and agreed for him to represent Tony and Brian, although the terms of the engagement were never reduced to writing. Tony trusted him and had no reason not to trust him.

25. Tony and Brian trusted Fleming because they trusted Murdaugh⁷ and because they continued reasonably to believe that Murdaugh was representing their interests along with Fleming.

26. In fact, even after Fleming was hired, Tony was encouraged by Murdaugh to continue to communicate with Murdaugh directly as it related to his mother's Estate and periodically about the status of their claims.

27. Additionally, and upon information and belief, the Estate filings that resulted in the appointment of Tony to serve as the Personal Representative were prepared with the assistance of Murdaugh.

⁷ For example, in 2016 Brian used Murdaugh to represent him in probating his for his grandmother's estate in *In The Matter of Mildred Smith Stanley*, Case Number 2016-ES-25-0170 and he even gave Murdaugh his **Power of Attorney** in that matter (emphasis supplied and see **Exhibit A**, attached and incorporated by reference). In addition, Tony contacted Murdaugh for legal advice about his deceased father's estate in *In The Matter of David Satterfield*, Case Number 2013-ES-25-0146 and Murdaugh advised him about the same. (See **Exhibit B** attached hereto and incorporated by reference.) Murdaugh also had represented Brian in connection with an automobile accident to recover damages for personal injuries.

28. As a result of such filings, on March 28, 2018, Tony was appointed to be the Personal Representative of the Estate as was his statutory right⁸. (See Certificate Appointment attached as **Exhibit C** and incorporated by reference.)

29. Furthermore, on May 24, 2018, Murdaugh's office sent a letter to the Records Custodian for Trident Anesthesia Group seeking Gloria's medical records and confirmed their representation of Gloria's Estate in the letter: "As you know, this office represents Michael Satterfield as PR for the Estate of Gloria Satterfield ..." (See 5/24/18 letter attached as **Exhibit D** and incorporated by reference).

30. Murdaugh sent the letter to Trident despite the fact that on March 8, 2018, Murdaugh had received a letter from Fleming that placed Murdaugh on notice that Fleming was representing the Estate of Gloria Satterfield for wrongful death claims that the Estate intended to pursue against Murdaugh. (See March 8, 2018 letter attached hereto as **Exhibit E** and incorporated by reference).

31. Despite the bizarre misalignment of Murdaugh serving as legal counsel for the purpose of pursuing claims against himself, it is clear that Murdaugh represented the Estate of Gloria Satterfield.

32. It is likewise clear that Murdaugh represented Tony in his capacity as the Personal Representative of the Estate.

33. Moreover, Murdaugh owed duties to Tony and Brian individually as the sole statutory heirs of the Estate, and as the legal heirs on whose behalf a wrongful death claim was to be pursued.

34. Murdaugh never explained the concept of a "conflict of interest" with Tony or Brian.

⁸ S.C. Code Ann. § 62-3-203(a).

35. A conflict of interest exists when an attorney's interests make it impossible to provide zealous and single-minded representation to a client.

36. By undertaking the representation, Murdaugh was effectively pursuing claims against himself on behalf of the Plaintiffs.

37. Murdaugh undertook his representation despite the presence of an irreconcilable conflict of interest which would have made his involvement completely impermissible in accordance with the South Carolina Rules of Professional Conduct.

38. Minimally, Murdaugh was ethically required to disclose the conflict in writing to Tony and Brian, although the conflict was so profound that it would not have been possible to obtain Tony and Brian's informed consent and waivers of the conflicts even with full disclosure. In any event, the Satterfield boys were told nothing about the existence of a conflict of interest.

39. In the absence of a written fee agreement, the scope of the relationship between lawyer and client is defined by the reasonable expectations of the client.

40. In this case, Tony and Brian reasonably believed that Fleming was representing their interests and the Estate's interests, along with Murdaugh.

41. Because the claims that would be asserted against Murdaugh consisted of a survival claim and a wrongful death claim, a Personal Representative was required to prosecute the claims beneficially for the Estate and for Tony and Brian in accordance with South Carolina statutory law.

42. During Tony's tenure as Personal Representative and without his knowledge or involvement, claims were made against Murdaugh for Gloria's death, which claims were then reported to the various insurance carriers who provided coverage for Murdaugh's Mosselle home.

43. Although Tony had been appointed to serve and was fully capable of continuing to serve as the Personal Representative of his mother's Estate, in or around October, 2018, Murdaugh

and Fleming decided that it would be beneficial and more “convenient to them” to replace Tony with a successor Personal Representative.

44. Upon further information and belief, the decision to replace Tony was made out of a concern that Tony would ask too many questions.

45. Murdaugh and Fleming desired instead a Personal Representative who would not ask questions.

46. Furthermore, as the attorney client relationship in these setting is made technically between the lawyers and the Personal Representative, the appointment of a substitute Personal Representative would create a mechanism through which the attorneys would technically not have to communicate directly with Tony or Brian any longer.

47. In the fall of 2018, Tony and Brian were told that they would be better served if Tony ceased his role as Personal Representative of his mother’s estate and that the role should be entrusted to Palmetto through its Vice President, Chad Westendorf (“Westendorf”), as there would be “business issues” arising as the matter proceeded that were beyond Tony’s experience.

48. Tony and Brian were not told, however, that an initial settlement in the amount of \$505,000.00 had already been made with one of the insurance companies that insured the Murdaugh home, Lloyd’s of London, and that a check in the same amount had already issued on December 4, 2018.

49. Tony and Brian were not told that the lawyers had decided to “slow walk” the initial settlement until a new Personal Representative could be appointed to replace Tony.

50. Tony and Brian were also not told that in accordance with S.C. Code Ann. §62-3-203, other Satterfield family members had statutory priority to serve as the Successor Personal Representative of the Estate over Westendorf.

51. Even though there were suitable family member candidates to serve as the Personal Representative of Gloria's estate, Murdaugh instead engaged Westendorf, as an officer of Palmetto, to be the Successor Personal Representative for the Estate.

52. Tony agreed to step aside as the PR because he trusted the lawyers and because he was impressed that the Vice President of Palmetto would be serving in his stead and that the Vice President of Palmetto would indeed have greater business expertise than himself.

53. At the time Tony agreed to step aside, he knew nothing of the \$505,000.00 settlement that was reached and that the check was actually received by December 6, 2018.

54. Upon information and belief, the appointment to serve as personal representative for the Estate of Gloria Satterfield was Westendorf's first engagement as a personal representative.

55. In order for Westendorf to be appointed as the Successor Personal Representative of the Estate, Tony had to resign as the original Personal Representative and Brian had to renounce his right to serve.

56. On October 31, 2018, Brian signed a second "Renunciation of Right to Administration and/or Nomination and/or Waiver of Bond" at Murdaugh's office. (See a screen shot of Kristi Jarrell's LinkedIn profile attached as **Exhibit F** and the 10-31-18 "Renunciation of Right to Administration and/or Nomination and/or Waiver of Bond" attached as **Exhibit G** and both are incorporated by reference.)

57. On November 16, 2018, Tony signed his "Renunciation of Right to Administration and/or Nomination and/or Waiver of Bond" at Murdaugh's office. (See the 11-16-18 "Renunciation of Right to Administration and/or Nomination and/or Waiver attached as **Exhibit H** and incorporated by reference.)

58. The Renunciation of Right to Administer signed by both Brian and Tony indicated that they were not simply renouncing their right to serve, but that they were renouncing their right to serve in favor of Westendorf.

59. It is through these Renunciations of Right to Administer that Westendorf was appointed Successor Personal Representative of the Estate.

60. After his appointment, Westendorf never communicated with Tony or Brian, never opened an Estate Bank Account, never obtained a FEIN number for the Estate, never communicated in writing with the Hampton County Probate Court and never provided periodic inventories or status reports to the Hampton County Probate Court nor advised it of any settlements of wrongful death or survival.

61. After Tony and Brian executed their Renunciations of Right to Administer, Westendorf did not automatically become the Successor Personal Representative. A formal court order appointing him would be required.

62. While waiting on his appointment, the Lloyds of London settlement check in the amount of \$505,000.00 was delivered to Fleming on December 6, 2018. Tony was still the acting Personal Representative.

63. Neither Tony, nor Brian, participated in the settlement negotiations.

64. Neither Tony, nor Brian, signed any settlement agreements.

65. Neither Tony, nor Brian were told that money was recovered for them or that there was a settlement.

66. Importantly, wrongful death and survival claims must be approved by court order in South Carolina.⁹

⁹ S.C. Code Ann. §15-51-42.

67. Wrongful death and survival claims are approved based upon a petition filed by the Personal Representative, who must attest to the Court that they have been fully informed of the terms of the settlement and of the fees and costs involved and that they believe the settlement is in the best interests of the estate and the heirs.

68. No one advised Tony of the \$505,000.00 settlement or of the need to file such a petition.

69. Instead, even though they had check in hand since December 4, 2018, Fleming and Murdaugh waited on Westendorf's appointment so that Westendorf could be the petitioner and so that Westendorf could appear at a future hearing on the petition seeking approval – and not Tony. (See the December 4, 2018 check in the amount of \$505,000.00 attached as **Exhibit I**).

70. On December 18, 2018, Westendorf was appointed Successor Personal Representative of the Estate of Gloria Satterfield by court Order.

71. On December 19, 2018, Westendorf, petitioned the Court to approve the \$505,000.00 settlement that he had no involvement in procuring. The Petition was filed in the Hampton County Court of Common Pleas and was assigned action number: Civil Action No.:2018-CP-25-0505. (See the Petition attached hereto as **Exhibit J** and incorporated by reference).

72. In the Petition, Tony and Brian are identified as the sole "statutory" and "intestate heirs." The Petition asks the Court to approve a "partial settlement" apportioned as follows: "\$475,000.00 for wrongful death and \$25,000.00 for survival action and \$5,000.00 for med pay."

73. The \$25,000.00 of survival funds would be part of Gloria's estate that would have to go through probate before being distributed to the Plaintiffs.

74. In accordance with South Carolina law, the \$475,000.00 wrongful death settlement was a direct claim to Tony and Brian to compensate them for the grief, sorrow and mourning associated with the loss of their mother and did not have to pass through the Estate.

75. Upon receipt, the net proceeds of the \$475,000.00 wrongful death payment were to be paid immediately to Tony and Brian.

76. Although court approval of wrongful death settlements is required by South Carolina statutory law, no signed order approving the settlement appears on the Court docket.

77. Nevertheless, upon information and belief, a hearing of some kind may have taken place on December 19, 2018, based upon a later email between Westendorf and Fleming in which Westendorf requests a copy of a document signed by a Judge. (See unsigned and unfiled "Order Approving Wrongful Death and Survival Settlement" without a complete civil action number attached as **Exhibit K** as well as an email from Westendorf to Fleming dated January 14, 2019 attached hereto as **Exhibit L**).

78. Attached hereto as **Exhibit K** is an unsigned "Order Approving Wrongful Death and Survival Settlement" describing the December 19, 2018 hearing which was apparently prepared for the signature of the Honorable Carmen Mullen, but it does not contain the proper case number and was never filed as of record. Plaintiffs do not know whether this is the document that Westendorf sought from Fleming in his January 14th email.

79. On January 7, 2019, in direct contravention of the filed Petition and at the direction of Murdaugh, Fleming sent a check #24817 to an account called "Forge" care of a post office box in Hampton, South Carolina in the amount of \$403,500.00 and did so without a cover letter enclosing the check. (See a copy of said check attached as **Exhibit M** and incorporated by reference).

80. Of course, having obtained the \$403,500.00 through a breach of trust and a breach of his fiduciary duties, Murdaugh needed a place to deposit the funds and needed a bank to help him launder the money – otherwise, he just has a check made to a fake company that he could not negotiate.

81. As early as 2015, Murdaugh set up two bank accounts with BOA using a version of the name “Forge” for the purpose of creating the illusion that these accounts were actually accounts of the structured settlement firm known as Forge Consulting, LLC, with offices in Columbia, South Carolina.

82. The Murdaugh fake “Forge” accounts were owned and controlled exclusively by Murdaugh.

83. “Forge” conducts no legitimate business.

84. “Forge” is in the business of stealing money.

85. Upon information and belief, the fake “Forge” accounts became a vehicle through which Murdaugh began laundering millions of dollars as early as 2015.

86. Murdaugh was able to establish the fake “Forge” accounts with BOA.

87. The two fake “Forge” BOA accounts are:

Account ***7391**

Opened 9/22/2015

Name of Sole Proprietorship: Richard A. Murdaugh Sole Prop, DBA Forge
(See BOA “Opening and Maintaining Deposit Account and Services” attached as **Exhibit N** and incorporated by reference.)

Account ***7625**

Opened 8/21/2018

Name of Business: FORGE

Business Type: Sole Proprietor

Murdaugh signed as “Owner”

(See BOA “Opening and Maintaining Deposit Account and Services” attached as **Exhibit O** and incorporated by reference.)

88. Upon information and belief, BOA violated its own policies and procedures in permitting the fake “Forge” accounts to be established.

89. Upon information and belief, BOA violated customary banking practices in permitting the fake “Forge” accounts to be established.

90. For example, according to BOA policies and procedures, Murdaugh was required to provide a business name filing document or a business license showing the establishment of “Forge” as a legitimate business. Upon information and belief, no such documentation was provided.

91. In addition, according to BOA policies and procedures, in order to open a “d/b/a account” (doing business as), Murdaugh was required to provide a fictitious name certificate, certificate of trade name, assumed name certificate and/or DBA certificate. Upon information and belief, no such documentation was provided.

92. According to BOA policies and procedures, in order to open the “Forge” account, Murdaugh was required to provide a federal tax id number (“TIN”). Instead, BOA never verified that Murdaugh actually provided a fake TIN which was nothing more than his social security number with a hyphen after the first two digits making it appear in format as a legitimate TIN. Of course, BOA knew Murdaugh’s social security number and a simple check of the TIN would have shown it to be fictitious.

93. Upon information and belief, the account opening forms were executed at a BOA branch and a BOA employee aided Murdaugh in filing out the forms and in using Murdaugh’s SSN in order to fabricate a fake TIN.

94. This fake TIN is an example of an extraordinary and specific fact which should have alerted BOA to the possibility of fraud especially since it was the same exact identification

number used by Murdaugh's first fake BOA account opened 3 years prior (Account *****7391).

95. BOA had a duty to the Plaintiffs to investigate this fake TIN and if it had, the Plaintiffs' funds would not have been deposited into Murdaugh's second fake BOA Forge account in 2019.

96. Upon information and belief, an as of yet unknown BOA employee or employees (aka John or Jane Doe(s)) knew of and assisted Murdaugh in creating the fake Forge accounts.

97. While customary banking practices would have required BOA to "know its customer" and to understand the nature of its business, BOA did nothing to come to know the nature of Alex Murdaugh's "Forge" business.

98. Upon information and belief, BOA knew that Alex Murdaugh was an attorney licensed in the State of South Carolina.

99. Upon information and belief, BOA knew of the existence of a legitimate business known as Forge Consulting, LLC, a firm that specializes in assisting attorneys and their clients with structuring settlement funds on behalf of victims who receive money through legal claims.

100. If BOA had been paying attention at all, it should have known that Alex Murdaugh sought to leverage the name and reputation of the real Forge Consulting, LLC in the establishment of his fake "Forge" business. Of course, BOA was at all times just one question away from finding out the truth had they simply asked, "what is the nature of 'Forge's' business," as was their duty to do.

101. Upon information and belief, BOA knew that as an attorney licensed to practice law in South Carolina, Alex Murdaugh would periodically have access to money that belonged to his clients, which money he had a duty to safeguard on behalf of his clients. As such, BOA knew that Alex Murdaugh acted in the role of a fiduciary in the safekeeping of money entrusted to him.

102. As BOA did literally nothing to learn the nature of Alex Murdaugh's "Forge" business, BOA logically concluded or should have concluded that it was an extension of Alex Murdaugh's law practice and, correspondingly, an extension of his role as fiduciary.

103. After having allowed the fake accounts to be established, BOA thereafter did not properly supervise these fake accounts or monitor these accounts in accordance with the applicable banking statutes, rules, regulations, and, upon information and belief, its own internal policies and procedures including but not limited to deposits and endorsements on checks.

104. Through its lack of oversight, BOA allowed the fake "Forge" accounts to be used to launder millions of dollars through deposits of stolen checks, transfers to other accounts and/or the issuance of many cashier's checks.

105. Murdaugh was seasoned in his money laundering by the time he received the Satterfield money in 2018.

106. Murdaugh received the first of his Satterfield money in the form of a check issued to "Forge" on January 7, 2019, in the amount of \$403,500.00.

107. Murdaugh deposited the \$403,500.00 into one of his fake "Forge" accounts with BOA on January 9, 2019.

108. On February 27, 2019, the \$403,500.00 deposit was comingled with another deposit in the amount of \$279,850.65, the source of which is unknown, but is presumed also to be ill-gotten gain as Forge conducted no legitimate business.

109. In March 2019, Murdaugh then made four bank transfers from the BOA fake "Forge" account to a personal account controlled by Murdaugh ending in 6779, which transfers totaled \$665,700.00, leaving only \$1,735.11 in the fake "Forge" account. As set forth herein, this pattern would continue with the other stolen Satterfield money as well. Also, as set forth herein, Murdaugh made many

110. After the initial settlement of \$505,000.00, additional recoveries were pursued from additional insurance policies. As a result of a mediation in March 2019, an additional settlement in the amount of \$3,800,000.00 from Nautilus Insurance Company was obtained.

111. Once again, neither Tony, nor Brian, signed any settlement agreements.

112. Once again, neither Tony, nor Brian were told that money was recovered for them, nor did they receive any of the settlement funds.

113. Following the settlement, a new petition under a different and unapproved caption of “In RE: Gloria Satterfield” was prepared with no reference to a court term or case number and it was never filed. (Hereinafter the “Unfiled Petition” a copy of which is attached hereto as **Exhibit P** and incorporated by reference).

114. South Carolina law requires that the wrongful death and survival settlements be made a part of the public record through the filing of a petition and the entry of an order granting the petition.¹⁰

115. At the settlement hearing, which purportedly occurred on May 13, 2019, the same date of the unfiled petition to approve the \$4,300,000.00 of settlements, the Honorable Judge Carmen Mullen was presented with a “Settlement Statement” indicating the exact sums recovered and the sources of recovery. More importantly, the Settlement Statement indicated exactly how the proceeds were to be distributed, including a distribution of “\$2,765,000.00” to the “Beneficiaries.” (See Settlement Statement attached as **Exhibit Q** and incorporated by reference).

116. On or about May 13, 2019, Judge Mullen was presented with a proposed Order Approving Settlement. (See the Order which is attached hereto as **Exhibit R** and incorporated by reference).

¹⁰ S.C. Code Ann. §15-51-41 and 42.

117. Upon information and belief, Judge Mullen trusted that the attorneys and Westendorf who assembled before her would distribute the funds in accordance with the Distribution Sheet¹¹ that she approved and trusted that the attorneys would file her order with the Hampton County Clerk of Court.

118. Judge Mullen was misled by Fleming, Murdaugh and Westendorf as follows:

- a. Failing to advise Judge Mullen that she had previously approved the \$505,000.00 Lloyds' settlement and that the signed order could not be located;
- b. Representing to Judge Mullen that the Beneficiaries of the Estate were fully informed as to the terms of the settlements;
- c. Representing to Judge Mullen that after the in chambers hearing, the attorneys would ensure that the Unfiled Petition and Order were filed of record;
- d. Representing that the settlement funds would be paid directly to Westendorf as the Personal Representative;
- e. Representing to Judge Mullen that the sum of \$2,765,000.00 would be paid to the beneficiaries;
- f. Failing to advise Judge Mullen that there were no written fee agreements for attorneys' fees and/or misrepresenting to Judge Mullen that such agreements existed; and
- g. Representing to Judge Mullen that the disbursements would paid only as approved by the Court on the Disbursement Sheet.

119. Upon information and belief, Judge Mullen signed the Order and gave the original Unfiled Petition and Order to the attorneys for the purpose of filing in the court docket.

120. The Order approved "payment of the amounts set forth" in the Unfiled Petition and on the Settlement Statement.

121. The Order did not approve any other payments.

¹¹ In addition, Plaintiffs question the \$105,000.00 of "prosecution expenses" that were not properly itemized on the Disbursement Sheet, especially given the fact that the claim was in its infancy and that no known expenses were incurred other than de-minimus filing fees.

122. Having received the Order, the authority under the Order was limited to making the payments exactly as set forth in the Settlement Statement without deviation. If there was to be any deviation, an additional modified court order would be required.

123. The Beneficiaries were not paid the sum of \$2,765,000.00 – they were not paid a dime ever.

124. Rather, Westendorf permitted Fleming to send a check #24909 on May 13, 2019 in the amount of \$2,961,931.95 to one of the fake Forge accounts described above in direct contravention to Judge Mullen's order. (See a copy of this Forge check attached as **Exhibit S** and incorporated by reference).

125. On May 15, 2019, BOA accepted the \$2,961,931.95 check for deposit into one of the fake Forge accounts without question.

126. Within days thereafter, Murdaugh made transfers to his BOA personal account ending in 6779 in the amounts of \$350,000.00, \$400,000.00 and \$125,000.00.

127. Over time, all of the money from the \$2,961,931.95 was stolen and laundered with the help of BOA by way of transfers to other accounts in the control of Murdaugh and/or through the issuance of cashiers checks, often in amounts just below \$10,000.00.

128. Nearly two years after the initial partial settlement, October 6, 2020, Fleming filed a Stipulation of Dismissal purportedly ending the Estate's claims against Murdaugh. Murdaugh also signed this stipulation. (See the Dismissal attached as **Exhibit T** and incorporated by reference.)

129. It is highly unusual that this Dismissal is signed by Murdaugh, as a named party and not be an attorney engaged by his insurer on his behalf.

130. Neither Tony, nor Brian, were consulted about the Dismissal, nor were they told of what, if any, additional actions had been taken on their behalf in the years following the partial settlement.

131. On the very same day the Dismissal was filed, October 6, 2020, Westendorf permitted Fleming to send a third and final check in the amount of \$118,000.00 to one of the fake Forge accounts. (See a copy of this Forge check attached as **Exhibit U** and incorporated by reference).

132. On October 6, 2020, BOA accepted the check for \$118,000.00 for deposit into the fake Forge account without any question.

133. By the end of October, 2020, Murdaugh withdrew or transferred to his account ending in 6779 amounts totaling \$117,200.94, leaving just \$839.42 of the \$118,000.00 in Satterfield money that had been deposited on October 6, 2020.

134. The Plaintiffs first learned that money had been recovered from the death of Gloria when it was reported in the press in late 2020.

135. Since that time and through the litigation process, the Plaintiffs have learned of some of the uses that Alex Murdaugh has made of their money with the assistance of BOA.

136. Between October 8, 2019 and May 28, 2021, Murdaugh used his fake BOA Forge account to issue 17 cashier's checks to Charles E. Smith (a/k/a Cousin Eddie) totaling \$164,748.76.

137. From his personal account and through transfers of money from his fake Forge accounts, Alex Murdaugh separately issued 254 personal checks to Cousin Eddie totaling \$1,825,560.95.

138. The individual breaches of the parties herein singularly or collectively proximately caused Plaintiffs' damages.

139. BOA should have been a backstop for one Murdaugh's misconduct, but its breaches of duty served only to become the vehicle through which Murdaugh was able to operate his fraudulent scheme.

140. Even if others acted complicitly with Murdaugh, BOA should have easily prevented the misappropriation of \$4,305,000.00 through the simple discharge of their duties. BOA was literally one question away from preventing these losses:

a. BOA: What is the TIN for Forge?

141. On November 18, 2021, Murdaugh was issued 27 indictments for financial crimes, nine of which pertain to the Plaintiffs' money, including counts for money laundering \$403,500.00, money laundering \$2,961,931.95 and money laundering \$118,000.00.

142. BOA is the bank of the money launderer.

143. The money laundering would not have been possible without BOA.

144. BOA is Murdaugh's bank of fraud.

FOR A FIRST CAUSE OF ACTION AS TO DEFENDANT MURDAUGH ACCOUNTING

145. The paragraphs enumerated above are incorporated herein as if alleged and restated in full herein.

146. Plaintiffs are entitled to an accounting of any and all funds recovered as a result of Civil Action No.:2018-CP-25-0505 and/or any other claim, action or settlement involving the death of their mother or the Estate.

147. Murdaugh owes a duty to provide Plaintiffs with such an accounting.

148. Plaintiffs have never received an accurate accounting.

149. Therefore, Plaintiffs hereby demand from Defendant Murdaugh an immediate, full, complete, and accurate accounting of any and all funds, costs, and expenses from Civil Action

No.:2018-CP-25-0505 and/or from any other claim, action or settlement involving the death of their mother or the Estate, as well as all supporting documentation for the same.

**FOR A SECOND CAUSE OF ACTION AS TO MURDAUGH AND BOA
CIVIL CONSPIRACY**

150. Paragraphs enumerated above are incorporated herein as if alleged and restated in full herein.

151. Defendants, and perhaps other unnamed third-parties, combined together for the purpose of injuring Plaintiffs.

152. Plaintiffs have suffered special damage in that they have been forced to incur legal expense in an effort to stop these unlawful actions and Plaintiffs' damages are different and unique as compared to their other causes of action listed herein.

153. Plaintiffs are entitled to and pray for an award of damages against the Defendants and perhaps other unnamed third parties for all losses suffered herein, including special damages, as well as an award of punitive damages in an amount deemed sufficient by a jury to impress upon these Defendants the seriousness of their conduct and to deter such similar conduct in the future.

**FOR AN THIRD CAUSE OF ACTION AS TO BOA
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**

154. Paragraphs enumerated above are incorporated herein as if alleged and restated in full herein.

155. BOA is required to follow customary and usual banking practices in the conduct of its business, especially as it pertains to the establishment of accounts, and particularly small business or DBA account.

156. BOA had a duty to obtain, verify, and record information that identifies each person/entity who opens an account.

157. In general, all banks, such as BOA, are required to have a written Customer Identification Program (“CIP”) that includes specific requirements appropriate for individuals and businesses opening accounts.

158. The CIP must be incorporated into the bank’s overall Anti-Money Laundering / Bank Secrecy Act (“AML/BSA”) processes and subject to approval by the bank’s board of directors.

159. With regards to opening a business account, BOA was required to know the business name, business physical street address, as well as additional identification information.

160. For example for a “doing business as account” (“DBA”) such as Account *****7391 “Richard A. Murdaugh Sole Prop, DBA Forge” and/or Account *****7625 “FORGE” BOA should have required an Affidavit of Certificate of Doing Business Under an Assumed Name or some similar type document but, upon information and belief, did not.

161. BOA is required to utilize “Know Their Customers” type protocols as well as conduct risk assessments of their client’s database using tools like RISK ID, Efund, and/or “OFAC checks,” etc. and, upon information and belief, BOA failed to do so with the two fake Murdaugh “Forge” accounts described herein.

162. BOA is required to have in place “Anti-Money Laundering” policies and procedures in order to assist in complying with such laws as USA Patriot Act or Uniting and Strengthening America by Providing Appropriate Tools to Restrict, Intercept and Obstruct Terrorism Act of 2001 and, upon information and belief, did not do so for the two fake Murdaugh “Forge” accounts described herein.

163. BOA is required to have in place policies and procedures to comply with the Bank Secrecy Act in order to assist in investigation criminal activities such as tax evasion and money launderings, and, upon information and belief, did not do so for the two fake Murdaugh “Forge” accounts described herein.

164. Upon information and belief, BOA did not conduct annual independent testing on the two fake Murdaugh "Forge" accounts described herein or have their Board approved Ban Secrecy Officer inspect or monitor these accounts.

165. Upon information and belief, BOA knew that Alex Murdaugh was a lawyer.

166. Upon information and belief, BOA knew that the Forge deposits represented money that Alex Murdaugh received in his capacity as a fiduciary and/or if BOA failed to know this, it failed only through its willful blindness and reckless disregard.

167. Upon information and belief, BOA knew that Murdaugh's transfers of the Satterfield deposits were made in breach of his fiduciary duties, and/or if BOA failed to know this, it failed only through its willful blindness and reckless disregard.

168. Through its failures to follow its own policies and procedures, banking laws and regulations and/or customary banking practices including endorsement and deposit procedures, BOA aided and abetting Murdaugh in breaching his fiduciary duties to the Plaintiffs.

169. Plaintiffs are entitled to and pray for judgment against BOA, both actual, in a sum not less than \$4,305,000.00, and punitive, in an amount deemed sufficient to impress upon BOA the seriousness of their conduct and to deter such similar conduct in the future.

FOR A FOURTH CAUSE OF ACTION AS TO BOA
AIDING AND ABETTING FRAUD

170. Paragraphs enumerated above are incorporated herein as if alleged and restated in full herein.

171. As is described in detail above, Murdaugh engaged in fraudulent behavior by obtaining money through false pretenses and then by using his fake BOA Forge accounts to launder his ill-gotten gain.

172. BOA had actual knowledge of Murdaugh's fraudulent behavior, if BOA failed to know, it failed only as a result of its willful blindness or reckless disregard.

173. BOA provided substantial assistance in the conduct of Murdaugh's fraud by providing for Murdaugh the vehicle through which he was able to launder millions and millions of dollars, including millions of dollars of the Satterfields' money.

174. Plaintiffs are entitled to and pray for judgment against BOA, both actual, in a sum sufficient not less than \$4,305,000.00, and punitive, in an amount deemed sufficient to impress upon BOA the seriousness of their conduct and to deter such similar conduct in the future.

FOR A FIFTH CAUSE OF ACTION AS TO BOA
NEGLIGENCE / GROSS NEGLIGENCE

175. Paragraphs enumerated above are incorporated herein as if alleged and restated in full herein.

176. At all times relevant hereto, BOA owed a duty of reasonable care in the operation of its business, including specifically a duty of reasonable care hire, train and supervise its employees in order to ensure its employees complied with all applicable laws, rules, regulations, policies and customary banking practices.

177. BOA did not properly supervise its employees, which resulted in the establishment of the two fake Murdaugh "Forge" accounts described herein, as well as in the use of the accounts to launder millions of dollars from the Plaintiffs.

178. BOA breached its duty of care and otherwise acted in a negligent, grossly negligent, willful, wanton and reckless manner in a number of particulars, including but not limited to some or all of the following:

- a. Failing to adopt and / or enforce adequate policies and procedures regarding its accounts such as a CIP, AML/BSA, DBA protocols, Know Their Customers, and Anti-Money Laundering;
- b. Failing to adequately and properly hire, train and supervise its employees to perform their duties;
- c. Permitting the establishment of the two fake "Forge" accounts;

- d. Accepting a fake TIN in order to establish one of the fake “Forge” accounts;
- e. Failing to require Murdaugh to present a business license;
- f. Failing to require Murdaugh to present a fictitious name certificate;
- g. Permitting the checks described herein to be deposited in the fake “Forge” accounts;
- h. Permitting checks made payable to “Forge Consultants, LLC” with a Lady Street address in Columbia, South Carolina to be deposited into the fake “Forge” accounts (See check attached hereto as **Exhibit V** and incorporated by reference.);
- i. Permitting check #1725 dated 3/15/21 endorsed by “Maggie B. Murdaugh” to be deposited in BOA. (See check #1725 attached hereto as **Exhibit W** and incorporated by reference.);
- j. Failing to identify fraudulent account activity, including the issuance of numerous cashier’s checks and/or other checks for amounts just under \$10,000.00;
- k. Failing to identify suspicious account activity, including the issuance of numerous cashier’s checks and/or other checks to C.E. Smith mostly for amounts just under \$10,000.00 as summarized in **Exhibit X**; and
- l. Other particulars as the evidence in the case may demonstrate.

179. Accompanying these breaches were other extraordinary circumstances, including but not limited to:

- a. The existence of suspicious identification documents used to open the fake Forge accounts such as a fake TIN that was created with the assistance of a BOA employee;
- b. BOA’s lack of any knowledge regarding the business of Forge;
- c. BOA’s knowledge of a legitimate company known as Forge Consulting, LLC;
- d. BOA accepting for deposit into the fake Forge accounts at least 17 checks totaling \$2,726,449.82 which were made out to Forge or Forge Consulting, LLC with the address 1122 Lady Street, Ste 705, Columbia, SC, which is the correct address for

Forge Consulting, LLC (and not the address provided for the establishment of the fake Forge accounts);

- e. A large volume of cashier's checks issued on the accounts;
- f. A large volume of inter-account transfers; and
- g. 254 checks issued to a single individual totaling more than \$1.8 Million.

180. The two fake Murdaugh "Forge" accounts authorized by BOA were run amok without adequate control or supervision, as a result of which BOA permitted the money that was intended for Tony and Brian from their mother's death to be stolen.

181. But for the conduct of BOA as described herein, the Plaintiffs would have received the settlement funds following the death of their mother.

182. As a direct and proximate result of the conduct of BOA as described herein, the Plaintiffs have suffered significant economic harm.

183. The Plaintiffs are entitled to and pray for separate awards of damages against BOA, both actual, in a sum sufficient to compensate the Plaintiffs for their damages but not less than \$4,305,000.00, as well as punitive damages in an amount sufficient to impress upon BOA the seriousness of its conduct and to deter such similar conduct in the future.

FOR A SIXTH CAUSE OF ACTION AS TO BOA
SCUTPA

184. Paragraphs enumerated above are incorporated herein as if alleged and restated in full herein.

185. As set forth herein above, BOA engaged in unfair or deceptive acts in the course of commerce in the State of South Carolina.

186. The acts of BOA are capable of repetition and have in fact been repeated, certainly as to the Plaintiffs herein, and upon information and belief, the same acts have been committed to other Murdaugh victims through the use of his fake BOA Forge accounts.

187. The conduct of BOA impacts the public interest in that the integrity of the banking system is central and integral to consumer confidence and to the health of the United States economy itself.

188. The Plaintiffs are entitled to damages against BOA in a sum sufficient to compensate the Plaintiffs for their damages, but not less than \$4,305,000.00.

189. Because the conduct of BOA in this case is willful, the Plaintiffs are entitled to treble damages, as well as an award of attorneys' fees.

FOR A SEVENTH CAUSE OF ACTION AS TO BOA
Caldwell v. K-Mart NEGLIGENCE PER-SE

190. Paragraphs enumerated above are incorporated herein as if alleged and restated in full herein.

191. BOA's internal policies and procedures are designed and implemented to protect itself and its customers from fraud.

192. In addition, Plaintiffs are intended third party beneficiaries of BOA's internal policies and procedures and self-imposed rules.

193. As is described in greater detail above, BOA repeatedly violated their own internal policies and procedures in dealing with Murdaugh's BOA accounts (the two fake FORGE accounts as well as his personal BOA account) including, but not limited to, the following:

- a. Failing to require proper account opening documents for the Murdaugh accounts;
- b. Allowing numerous cashiers checks to issue from Murduagh's fake Forge account;
- c. Allowing withdrawals to evade currency transaction reporting requirements;
- d. Allowing fraudulent deposits;
- e. Accepting checks made out to different payees;
- f. Improper transfers from business accounts to an individual account;

- g. Accepting improper endorsements; and,
- h. Other such actions as discovery may demonstrate.

194. BOA's actions regarding Murdaugh's BOA accounts were not reasonable.

195. BOA's failure to abide by their own internal policies demonstrate its failure to exercise reasonable care concerning the Murdaugh accounts and since BOA actions were not reasonable BOA has committed negligence *per se*.

196. Absent BOA's negligence *per se* Murdaugh would not have been able to economically harm the Plaintiffs.

197. BOA breached its duties to the Plaintiffs as intended third party beneficiaries of BOA's internal policies and procedures.

198. The Plaintiffs are entitled to and pray for separate awards of damages against BOA, both actual, in a sum sufficient to compensate the Plaintiffs for their damages but not less than \$4,305,000.00, as well as punitive damages in an amount sufficient to impress upon BOA the seriousness of its conduct in failing to bide by their own internal policies and self-imposed rules and to deter such similar conduct in the future.

**FOR AN EIGHTH CAUSE OF ACTION AS TO MURDAUGH
LEGAL MALPRACTICE / BREACH OF FIDUCIARY DUTY**

199. Paragraphs enumerated above are incorporated herein as if alleged and restated in full herein.

200. At all times relevant hereto, Murdaugh and Plaintiffs were in an attorney-client relationship by virtue of which the Murdaugh and PMPED owed duties to the Estate and duties to Tony and Brian as the sole heirs and beneficiaries of the Estate.

201. The duties owed by Murdaugh to the Plaintiffs include, but are not limited to, the duty to possess and to exercise the same degree of care, skill and learning as would be expected of

a reasonable and competent attorney under the same or similar circumstances and to act in a diligent manner when representing a client and the duty to act at all times as a fiduciary to the Plaintiffs and to pursue their interests as a fiduciary and to protect their property as a fiduciary.

202. Murdaugh breached their duties to Plaintiffs and otherwise acted in a negligent, grossly negligent, willful, wanton and reckless manner in a number of particulars, including but not limited to the following:

- a. In violating the South Carolina Rules of Professional Conduct including, but not limited to, Rule 1.7, Rule 8.3, and Rule 8.4;
- b. In undertaking to represent the Plaintiffs despite an irreconcilable conflict of interest that would have made such representation improper and impermissible;
- c. In failing to have a written fee agreement for a contingency matter in violation of Rule 1.5 of the South Carolina Rules of Professional Conduct;
- d. In failing to provide competent representation;
- e. In failing to keep the Plaintiffs reasonably informed about the status of their legal matters;
- f. In excluding the Plaintiffs from settlement discussions regarding their claims;
- g. In settling the Plaintiffs' claims without the knowledge or consent;
- h. In failing to adequately monitor the actions of Westendorf, Palmetto, Fleming, and MKF;
- i. In failing to protect clients' property;
- j. In misappropriating clients' property; and
- k. In such other particulars as the evidence in the case may demonstrate.

203. As a direct and proximate result of the conduct of Murdaugh, Plaintiffs' have been denied the monies rightfully owed to them as a result of the death of their mother, Gloria. The Plaintiffs are entitled to damages, both actual, in an amount determined by a jury to be sufficient to compensate them fully for the harm they suffered but not less than \$4,305,000.00, and punitive

in an amount to impress upon Murdaugh the seriousness of his conduct and to deter such similar conduct in the future.

WHEREFORE, the Plaintiffs pray for an award of damages against the Defendants herein, for actual damages, in a sum sufficient to compensate them for their losses herein, as well as an award of special damages, pre-judgment interest, and a disgorgement of the attorneys' fees and costs paid in relation to the claims made by the Estate of Gloria Satterfield, an award of punitive damages in an amount necessary to impress upon the Defendants the seriousness of their conduct and to deter such similar conduct in the future, as well as an award of treble damages and attorneys' fees against BOA, together with such further relief as the court deems just and proper.

Charleston, South Carolina
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