STATE OF SOUTH CAROLINA COUNTY OF HAMPTON Renee S. Beach, as Personal Representative of the Estate of Mallory Beach, Plaintiff, v. Gregory M. Parker, Inc. d/b/a Parker's Corporation, Richard Alexander Murdaugh, Richard Alexander Murdaugh, Jr., John Marvin Murdaugh, as P.R. of The Estate of Margaret Kennedy Branstetter Murdaugh, and Randolph Murdaugh, IV, as P.R. of the Estate of Paul Terry Murdaugh, Defendants.	IN THE COURT OF COMMON PLEAS FOURTEENTH JUDICIAL CIRCUIT Civil Action No.: 2019-CP-25-00111 **CO-RECEIVERS' MOTION FOR ENTRY OF SCHEDULING ORDER FOR THE ALLOCATION OF RECEIVERSHIP FUNDS IN FINAL RESOLUTION OF ELIGIBLE CLAIMS AND JUDGMENTS AGAINST R. ALEXANDER MURDAUGH, SR. AND FOR THE APPOINTMENT OF A SPECIAL REFEREE TO ADMINISTER THE CLAIMS PROCESS**

COME NOW Co-Receivers John T. Lay, Jr. and Peter M. McCoy, Jr., by and through undersigned counsel, and hereby move this honorable Court pursuant to Rule 66 of the South Carolina Rules of Civil Procedure for (A) entry of the Scheduling Order attached as Exhibit A for the allocation of funds in the receivership estate among and between the claimants and creditors of Richard Alexander Murdaugh, Sr. ("Murdaugh"), and (B) an Order appointing special referee L. Walter Tollison, III, Esq. pursuant to S.C. Code § 14-11-60 and Rule 53, SCRCP, to implement the process outlined herein and in the Scheduling Order entered by the Court.

The grounds for this Motion are that the interests of substantial justice and equity are served by implementing the schedule and process outlined in the proposed Scheduling Order and there is good cause shown for the appointment a special referee. After careful consideration and in furtherance of the orderly and equitable allocation of the receivership funds, the Co-Receivers submit the following for the Court's consideration:

1. This Court entered the Order granting the temporary injunction and establishing the receivership over Murdaugh's assets on November 2, 2021. The Co-Receivers and their counsel have worked diligently since their appointment to marshal as many assets into Murdaugh's receivership estate (the "Receivership Funds") as reasonably practicable. The Co-Receivers crave reference to their various reports to the Court outlining the extensive actions they and their counsel have undertaken in furtherance of maximizing the Receivership Funds.

2. As reflected in the proposed Scheduling Order, the Co-Receivers propose that potential claimants and creditors be required to file their respective Proof of Claim, which may, but is not required to, include a valid judgment for damages, by October 15, 2023,[1] in order to be eligible for any allocation (if any) of the Receivership Funds. As defined below, the Proof of Claim shall include a statement of the nature of the claim, the date of the loss, any and all amounts received to date in satisfaction or partial satisfaction of the damages underlying the claim, the monetary value of any remaining claimed damage or judgment, and a sworn statement of the Claimant attesting to the Claim's accuracy.

3. In addition, the proposed Scheduling Order provides that the Co-Receivers will publish a notice to potential claimants notifying them of the deadline for filing their proof of claim in order to be considered an Eligible Claimant (as defined herein) in a newspaper of general circulation in Hampton County and in Richland County for ten (10) consecutive days beginning fourteen (14) days following the entry of the Court's Order approving this process or as soon as practical thereafter permitting for the publishers availability.

[1] The Co-Receivers submit to the Court that potential claimants and creditors will have had a reasonable amount of time to procure their proof of claim as of October 15, 2023, as approximately two (2) years have transpired since the Court's entry of the Injunction and Receivership Order and since information concerning Murdaugh's alleged improprieties have been disclosed to the general public.

4. Accordingly, potential claimants and creditors will have had a full and fair opportunity to pursue their claims or to procure their proof of claim prior to the filing deadline of October 15, 2023.

5. Despite extensive efforts to identify, locate, secure, and marshal assets to the receivership estate, the Co-Receivers anticipate that the available Receivership Funds will be less than the total value of all claims, judgments, and damages of the claimants and creditors who have filed their Proof of Claim (as defined below) by the applicable deadline ("Eligible Claimants").

6. Consistent with South Carolina court rules, and in light of the fact that the Receivership Funds are likely to be insufficient to satisfy all claims and judgments, the proposed Scheduling Order contemplates a mediation of all Eligible Claims in an attempt to reach agreement on the equitable allocation of the Receivership Funds in final resolution of their respective claims or judgments. In order to facilitate this process, each Eligible Claimant would be provided any briefing in support, in opposition, and in reply that is prepared by all other Eligible Claimants and filed with the Court.

7. If the Court and/or the Special Referee deem it advisable and in light of the extraordinarily complex factual, legal and equitable considerations of the various Eligible Claimants' claims and judgments, the Co-Receivers recommend that the Court engage Peter D. Protopapas, Esq. to assist an appointed mediator in the mediation of this matter. Mr. Protopapas is a respected member of the Bar with significant experience in receivership situations and complex, multi-party litigation.

8. Prior to mediation, the Eligible Claimants shall file with the Court memoranda and exhibits in support of their Proof of Claim, which shall include (a) a statement of the nature of the claim and the monetary value of claimed damages, (b) a statement of any and all amounts received

to date in satisfaction or partial satisfaction of the damages underlying the claim (c) reasonably sufficient evidence to substantiate the claim and claimed damages, including, but not limited to, a sworn affidavit of the Claimant attesting to the validity and accuracy of the submitted Claim,(c) argument and authority setting forth the bases at law and in equity for the claimants' creditors' entitlement to the claimed damages and (d) any additional evidence in support of the claim ("Proof of Claim"). Any other Eligible Claimant or the Co-Receivers may, but are not required to, file a memorandum in opposition to any Proof of Claim and, in turn, there shall be an opportunity for the petitioning Eligible Claimant to reply. Additional information may be requested by the Special Referee. Submission of a Proof of Claim does not guarantee that a Claimant will receive a distribution from the Receivership Estate.

9. Except as provided for herein, there shall be no written or deposition discovery unless specifically ordered by the Special Referee.

10. To the extent mediation is unsuccessful in resolving all claims and judgments with finality, the Court would then undertake consideration of the Eligible Claimants' petitions concerning allocation of the Receivership Funds. In light of the extensive number of Eligible Claimants anticipated, as well as the complexity of factual, legal and equitable considerations pertinent to the equitable allocation of the limited Receivership Funds, the Co-Receivers offer that the appointment of a special referee would serve the legitimate interest of judicial economy and efficient resolution of the Eligible Claimants' petitions. Additionally, pursuant to Rule 53 and section 14-11-60, the Co-Receivers assert that there are no available Masters in Equity because of disqualification or other circumstances and therefore the appointment of a Special Referee is appropriate. To that end, the Co-Receivers hereby respectfully request that the Court appoint L.

Walter Tollison, III, Esq. as the Special Referee. Mr. Tollison is a respected member of the Bar with extensive experience in receivership situations involving complex equitable considerations.[2]

11. After consideration of the Eligible Claimaint's submissions, the Special Referee will determine whether to conduct a hearing for such Eligible Claimants to present any oral arguments. After careful consideration, the Special Referee shall issue a written order allocating the funds in the receivership estate to Eligible Claimants.

12. To the extent a claimant or creditor does not file their proof of claim by the deadline prescribed by the Court, such person shall not be considered an Eligible Claimant (an "Ineligible Claimant") and, therefore, shall not be entitled to any allocation from the available Receivership Funds as of the date of allocation either through the mediation process or by this Court. However, such Ineligible Claimant shall retain any and all rights to pursue any judgment or satisfaction of the same from Murdaugh in accordance with applicable law, excluding the Receivership Funds.

13. In the unlikely and unexpected event the Co-Receivers are able to marshal any further assets into the receivership estate following the end of the process for Eligible Claimants described herein, such additional funds shall be available for the potential benefit of both the Eligible Claimants and the Ineligible Claimants pursuant to the same process set forth herein, unless subsequently ordered otherwise by the Court. In such circumstances and only to the extent the Eligible Claimants do not settle their claims and judgments in full at mediation, the Eligible Claimants shall be entitled to their *pro rata* share of such additional funds based on the allocable share determined by this Court *less* the equitable allocation (if any) of such additional funds among the Ineligible Claimants as determined by the Court in its discretion. Alternatively, to the extent

[2] Mr. Tollison has served as counsel for Beattie B. Ashmore when he was appointed as a federal receiver in three cases involving Ponzi schemes. These cases involved or will involve a proof of claims and distribution plan and process. These cases include *In re Receiver for 3HB*, 3:10-cv-01341-MBS; *In re Receiver for Ronnie Gene Wilson*, 8:12-cv-2078-JMC; and *In re Receiver for Scott A. Kohn, et al*, 6:19-cv-01112-BHH.

(a) mediation by the Eligible Claimants is successful, (b) additional funds are marshaled by the Co-Receivers into the receivership estate, and (c) there are Ineligible Claimants who seek satisfaction of their claims and judgments from such additional funds, the Court shall determine the equitable allocation of such additional funds to the Ineligible Claimants and the Eligible Claimants according to the same process as set forth herein unless otherwise ordered by this Court.

14. All deadlines related to mediation or the submission of materials may be extended by consent of all the Eligible Claimants or by motion before and order of the Special Referee.

CONCLUSION

For the reasons stated herein and reserving their right to present additional arguments as necessary or required to the Court, the Co-Receivers respectfully request that this Court grant their Motion and

1. Enter the Scheduling Order attached as Exhibit A; and
2. Appoint L. Walter Tollison, III, Esq. to serve as the Special Referee to implement and administer the process and schedule as set forth in the Scheduling Order and as further set forth herein.

This Motion is based on the Rules of Civil Procedure, the relevant statutory and case law of South Carolina, principles of equity, the grounds stated herein, pleadings on file, any additional memoranda in support of this Motion and any in reply, all arguments presented to the Court, and other materials properly received and considered by the Court in connection therewith.

(*Signatures on Next Page*)

Respectfully submitted this 3rd day of August, 2023,

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