

STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
)	FOURTEENTH JUDICIAL CIRCUIT
COUNTY OF HAMPTON)	
)	CASE NO.: 2019-CP-25-00111
Renee S. Beach, as Personal Representative)	
of the Estate of Mallory Beach,)	
)	
Plaintiff,)	
)	JOINT MOTION FOR COURT
v.)	CONSIDERATION AND APPROVAL
)	OF SETTLEMENT AGREEMENT
)	
Gregory M. Parker, Inc. d/b/a Parker's)	
Corporation Richard Alexander Murdaugh,)	
and Richard Alexander Murdaugh, Jr.,)	
)	
Defendants.)	
)	

Plaintiff Renee Beach, as Personal Representative of the Estate of Mallory Beach, along with Peter M. McCoy, Jr. and John T. Lay, Jr. (hereinafter “Co-Receivers”) Richard Alexander Murdaugh, Jr., and John Marvin Murdaugh, as Personal Representative of the Estate of Margaret Kennedy Branstetter Murdaugh hereby move the Court for consideration and approval of a proposed Settlement Agreement reached after considerable negotiations between the parties to the agreement (attached hereto as Exhibit 1 and hereinafter the “Agreement”).

BACKGROUND

On or about December 20, 2016, Richard Alexander Murdaugh (“Alex Murdaugh”) conveyed his ownership of the 1,772 acre property commonly referred to as Moselle to Margaret Kennedy Branstetter Murdaugh (hereafter, “Maggie Murdaugh”). On June 7, 2021, Maggie Murdaugh lost her life. The circumstances of her death are the subject of murder charges currently pending against Alex Murdaugh. As a result of the 2016 transfer and her death, Moselle became an asset of the Estate of Maggie Murdaugh (hereinafter, the “Estate”).

Currently, the sole heir to the Estate is Alex Murdaugh and the largest asset of the Estate is Moselle.

On or about November 4, 2021, this Court issued an order appointing the Co-Receivers over all assets of Alex Murdaugh and certain assets of Richard Alexander Murdaugh, Jr., a/k/a Buster Murdaugh – his and Maggie Murdaugh’s son – and enjoined the transfer and encumbrance of any of Alex Murdaugh’s assets. Thereafter, the Co-Receivers took the following actions in regard to Alex Murdaugh’s interest in the Estate and in Moselle:

- (1) On March 9, 2022, the Co-Receivers challenged and sought to void the Qualified Disclaimer executed by Alex Murdaugh and filed on March 7, 2022 which sought to disclaim any and all rights and interest he has in the Estate. The Qualified Disclaimer would have resulted in Alex Murdaugh being treated as having predeceased his wife for purposes of construing her Will and, therefore, the sole devisee of the Estate would have been Buster Murdaugh. The Co-Receiver’s motion was granted, and Alex Murdaugh’s attempted disclaimer was voided. This decision has not yet been appealed.
- (2) On July 6, 2022, the Co-Receivers filed an action in the Probate Court for Colleton County against the Estate seeking to set aside the transfer of Moselle as fraudulently conveyed (hereinafter the “Fraudulent Conveyance Claim”). If the Co-Receivers prevail in this action, Moselle would no longer be an asset of the Estate but rather an asset of Alex Murdaugh’s and subject to the Co-Receiver’s control. The Fraudulent Conveyance Claim is contested by the Estate. That action is currently pending and its resolution is the subject of the proposed Settlement Agreement.

In addition to the above referenced actions, Alex Murdaugh is scheduled to stand trial for the murder of Maggie Murdaugh beginning January, 2023. If Alex Murdaugh is found guilty of murdering Maggie Murdaugh, under South Carolina law, he would be treated as having predeceased his wife for purposes of construing her Will and the sole devisee would, again, be Buster Murdaugh.

Meanwhile, Maggie Murdaugh's Estate and/or the assets therein, Alex Murdaugh and Buster Murdaugh are the subject of substantial other litigation arising out of or related to a February 24, 2019, boat crash including the following:

- A. Renee Beach, as Personal Representative of the Estate of Mallory Beach v. Gregory Parker Inc., et al., including Richard Alexander Murdaugh, Jr. and the Estate of Margaret Kennedy Branstetter Murdaugh (2019-CP-25-00111);
- B. Morgan Doughty v. Gregory Parker, Inc., et al., including Richard Alexander Murdaugh, Jr. and the Estate of Margaret Kennedy Branstetter Murdaugh (2022-CP-25-00037); and
- C. Miley Altman v. Gregory Parker, Inc., et al., including Richard Alexander Murdaugh, Jr. and the Estate of Margaret Kennedy Branstetter Murdaugh (2022-CP-25-00036)

(collectively, the "Boat Crash Litigation").

Additionally, the plaintiffs in the Boat Crash Litigation have filed claims in the Probate Court against the Estate. To date, counsel for the Estate have incurred approximately \$290,000.00 in attorneys' fees and have yet to conduct formal discovery or litigate the Fraudulent Conveyance Claim. All parties expect the litigation of the Fraudulent Conveyance Claim to result in substantial additional legal fees and costs which would reduce the amount recoverable through continued litigation of the claim.

The undersigned as Counsel for the Boat Crash Litigation plaintiffs, the Co-Receivers and their counsel, John Marvin Murdaugh and counsel for the Estate, and Buster Murdaugh and his counsel, met on January 5, 2023, after months of negotiations, a failed mediation and a prior hearing with the Probate Court, to resolve all claims against the Estate and its assets. The resulting Settlement Agreement is attached hereto as Exhibit 1.

THE SETTLEMENT AGREEMENT

Plaintiff Renee Beach, as Personal Representative of the Estate of Mallory Beach, along with the Co-Receivers, Richard Alexander Murdaugh, Jr., and John Marvin Murdaugh, as Personal Representative of the Estate recommend approval of this Settlement Agreement. Pursuant to the terms of the Settlement Agreement, the Receivership will receive \$275,000 “in settlement of the Fraudulent Conveyance Claim and to be held in the common fund under the custody and control of the Co-Receivers.” However, because of the Gordian knot of varying claims and interests, including that of the Co-Receivers, a resolution of the Co-Receivers’ claims against the Estate could not be resolved without the participation and inclusion of other interested parties. Therefore, the Settlement Agreement resolves several claims against the Estate which are outside the purview of the Receivership.

As a result of this negotiated settlement of the varying claims against the Estate’s assets, the balance of the Estate certainly does not accrue to the benefit of Alex Murdaugh and largely does not accrue to the benefit of his family other than to the extent he may receive a set-off in the future from the amounts that will ultimately be paid to the plaintiffs in the Boat Crash Litigation. Importantly, John Marvin Murdaugh, as personal representative of the Estate, has agreed to waive his right to a personal representative fee in a good faith effort to help resolve the web of

issues involving the Estate and its assets. Accordingly, the Estate's funds will be distributed under the Settlement Agreement to other claimants as follows:

- (1) The Estate's legal fees and expenses in the amount of approximately \$290,000;
- (2) \$6,511.52 to Laura Jones, LLC, who also filed a claim against the Estate in the Probate Court, in satisfaction of her creditor claim against the Estate;
- (3) \$12,305.28 to John Marvin Murdaugh for personal funds advanced on behalf of the Estate and in satisfaction of his outstanding creditor claim against the Estate;
- (4) \$100,000 to Joseph McCulloch, Esquire as counsel for Connor Cook to release his claim against Buster Murdaugh in Connor Cook v. Gregory Parker, Inc., aka Parker's Corporation d/b/a Parkers 55, Tajeeha Cohen, Richard Alexander Murdaugh and Richard Alexander Murdaugh, Jr. (2021-CP-25-00303).;
- (5) \$530,000 to Buster Murdaugh as devisee of the Estate;
- (6) \$275,000 to the Co-Receivers; and
- (7) The balance¹ to Mark Tinsley, Esquire on behalf of Renee Beach as Personal Representative for the Estate of Mallory Beach, Morgan Doughty, and Miley Altman, respectively.

The consideration and satisfaction or partial satisfaction of these other claims in resolving the Co-Receivers' disputed claims against the same pool of Estate assets is consistent with the Co-Receivers obligations and duties pursuant to the Order appointing them. The Co-Receivers have determined that the Settlement Agreement is reasonable and in the best interests of the Receivership as a whole. The ultimate resolution of these claims and costs to the Estate of defending the same would reduce the ultimate value of the Estate to its beneficiaries whether that

¹ The Settlement Agreement is also contingent upon the resolution of creditor claims by Palmetto State Bank for an amount no greater than \$25,000. The balance of the Estate will be further decreased by the amount of any such resolution if reached.

ultimately be Alex Murdaugh or Buster Murdaugh. The resolution of the claims against the Estate - including the Fraudulent Conveyance Claim - preserves the value of the Estate. Further, this settlement maximizes the Estate assets to the best extent practicable for the benefit of the unliquidated claimants against the Estate by avoiding the uncertainty of protracted litigation.

Alex Murdaugh's status as the beneficiary of the Estate and the Co-Receiver's ability to access funds associated with the sale of Moselle was subject to substantial risk. First, Alex Murdaugh's status as sole beneficiary of the Estate was contingent. Alex Murdaugh attempted to disclaim his interest on March 7, 2022. While that disclaimer was declared void by Order of this Court dated June 7, 2022, that decision is subject to appeal. Resolving this issue now reduces the costs and months of time that would necessarily be devoted to the trial of the Fraudulent Conveyance Claim, as well as any such appeal that could follow either this Court's order of June 7, 2022, or the trial of the Fraudulent Conveyance Claim itself and eliminates any risk that the Qualified Disclaimer would be allowed against the argument of the Co-Receiver.² Additionally, South Carolina's slayer statute would prevent Alex Murdaugh from inheriting from the Estate to the extent he is found guilty of murdering Maggie Murdaugh. That trial is scheduled to begin to January 23, 2023. If either the disclaimer is allowed or Alex Murdaugh is found guilty of murder, his status as beneficiary of the Estate would be eliminated. As a result, Alex Murdaugh's ultimate ability to remain sole beneficiary is the subject of legitimate question.

If Alex Murdaugh's status as beneficiary was voided by operation of the disclaimer or the slayer statute, the only other avenue for collection by the Co-Receiver against the Estate of Moselle was through the Fraudulent Conveyance Claim against the Estate. While the Fraudulent Conveyance Claim has its merits and strengths, it is certainly not without potential risks. More

² Mechanically, the Settlement Agreement contemplates that Alex Murdaugh be permitted to disclaim his interest in the Estate and the Order voiding that disclaimer be withdrawn. For purposes of effectuating this Settlement Agreement only, the Co-Receiver consent to Alex Murdaugh disclaiming his interest in the Estate.

importantly, the litigation of the Fraudulent Conveyance Claim not only carries substantial litigation risks of costs, time, appeals, and potential for a negative result, the Co-Receiver's standing to bring the action to begin with is also under attack.

As it relates to the Receivership, the Settlement Agreement resolves the Co-Receiver's Fraudulent Conveyance Claim for \$275,000. However, the benefits are not so limited. The Settlement Agreement benefits the Receivership by also (1) eliminating significant costs of complex litigation and any resulting appeals by beneficially resolving with finality Alex Murdaugh's disclaimer of interest and the Co-Receiver's Fraudulent Conveyance Claim, (2) permitting the sale of Moselle during current market conditions which, as detailed below, allows the Receivers to receive additional funds, (3) substantially reducing actual and potential claims against the Receivership's funds by partially satisfying claims made by other parties including but not limited to the Plaintiff in the above captioned action, and (4) eliminating the risk associated with Alex Murdaugh's murder trial and its impact on his status as beneficiary of Maggie Murdaugh's Estate. Additionally, notice of this Settlement Agreement is being provided to Estate creditors to allow any objection to be heard. The Settlement Agreement is subject to Probate Court Approval. This Motion is also being provided to persons upon information and belief who are making a claim or could be making a claim against Alex Murdaugh and/or the Receivership Fund. Based on the above, the Plaintiff and Co-Receiver respectfully request this Court approve the Settlement Agreement, dismiss Richard Alexander Murdaugh, Jr. from this action with prejudice and relieve him personally from the Receivership and injunction as it relates to him, dismiss John Marvin Murdaugh, as Personal Representative of the Estate of Margaret Kennedy Branstetter Murdaugh from this action, and give the Plaintiff leave to amend her complaint to reflect these dismissals.

MOSELLE

As detailed in its prior Motion for the Approval of a Settlement with Palmetto State Bank, the Co-Receivers will receive sums related to the sale of Moselle in addition to the \$275,000 described above. Specifically, as part of satisfaction of the mortgage, the Co-Receivers are entitled to direct collection of all interest and fees outstanding on the two loans associated with the Moselle property. Approving the settlement agreement and permitting the sale of Moselle will free these sums for the Receivership as well.

CONCLUSION

For the reasons described herein, the Co-Receivers ask that the Court approve the Settlement Agreement attached hereto as Exhibit 1 and authorize the Co-Receivers to execute such agreements as are necessary to effectuate the same.

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