

# ETHICS AND THE INDISCRIMINATE LIAR: Oh what tangled webs we weave

Presented by John T. Lay,  
Carmen Bannon and  
Sharon Caffrey

# Ethics and the Indiscriminate Liar: “Oh What Tangled Webs We Weave...” aka “Ethics in the Low Country?”

**VERIFICATION CODE**

**iadc&**

## **FOR CLE CREDIT:**

1. Write down or take a photo of this Verification Code.

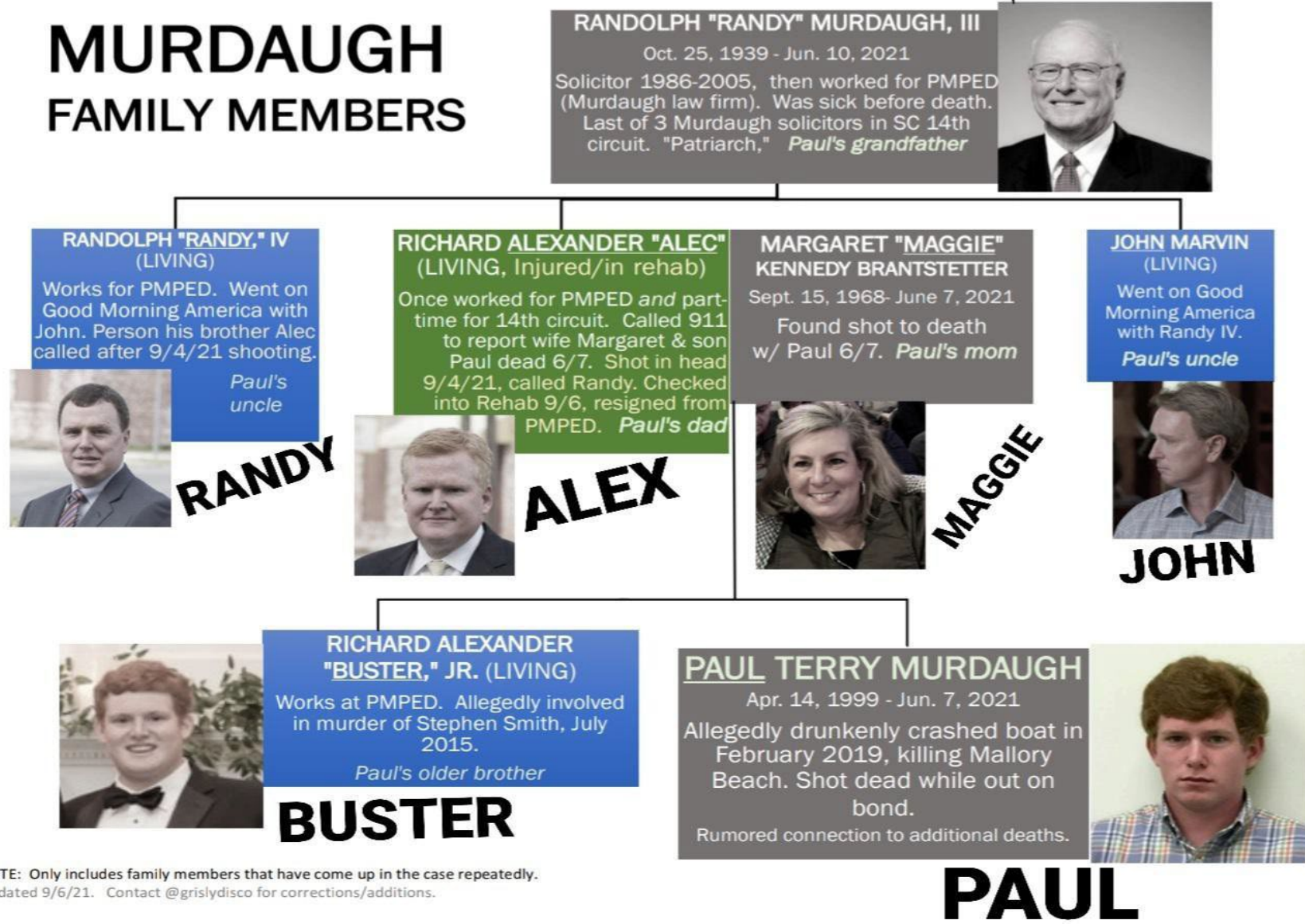
You **MUST** complete the evaluation to earn CLE Credit.

2. Either click the “Evaluation” button from the program on your **Meeting App** to enter the Verification Code and complete the Program Evaluation now.

**OR**

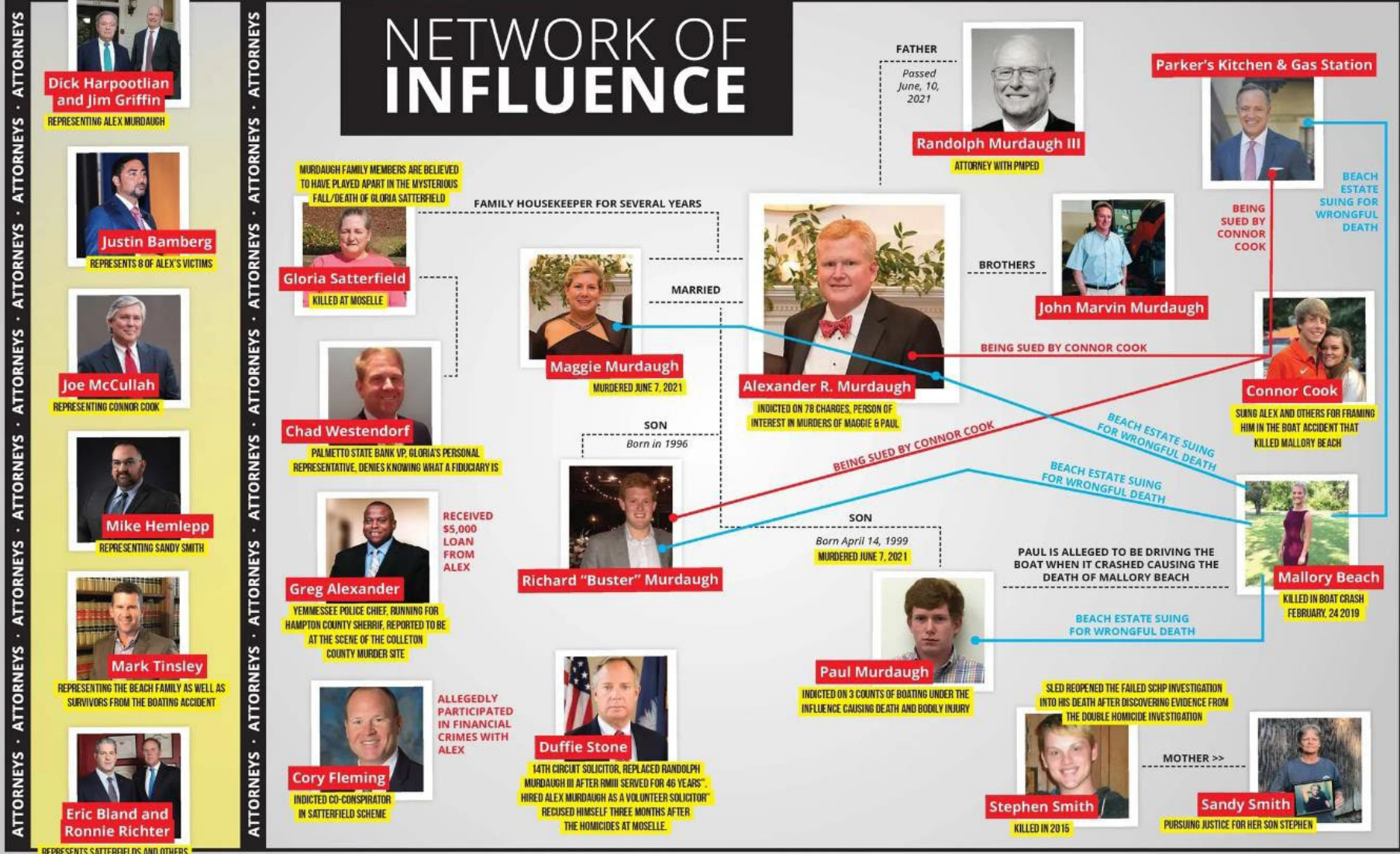
3. Save the code to take the evaluation later.

# MURDAUGH FAMILY MEMBERS



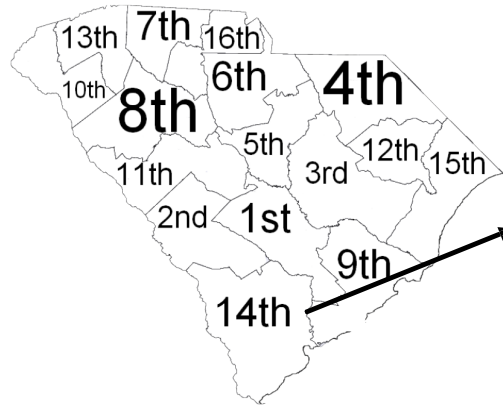
NOTE: Only includes family members that have come up in the case repeatedly.  
Updated 9/6/21. Contact @grislydisco for corrections/additions.

# NETWORK OF INFLUENCE

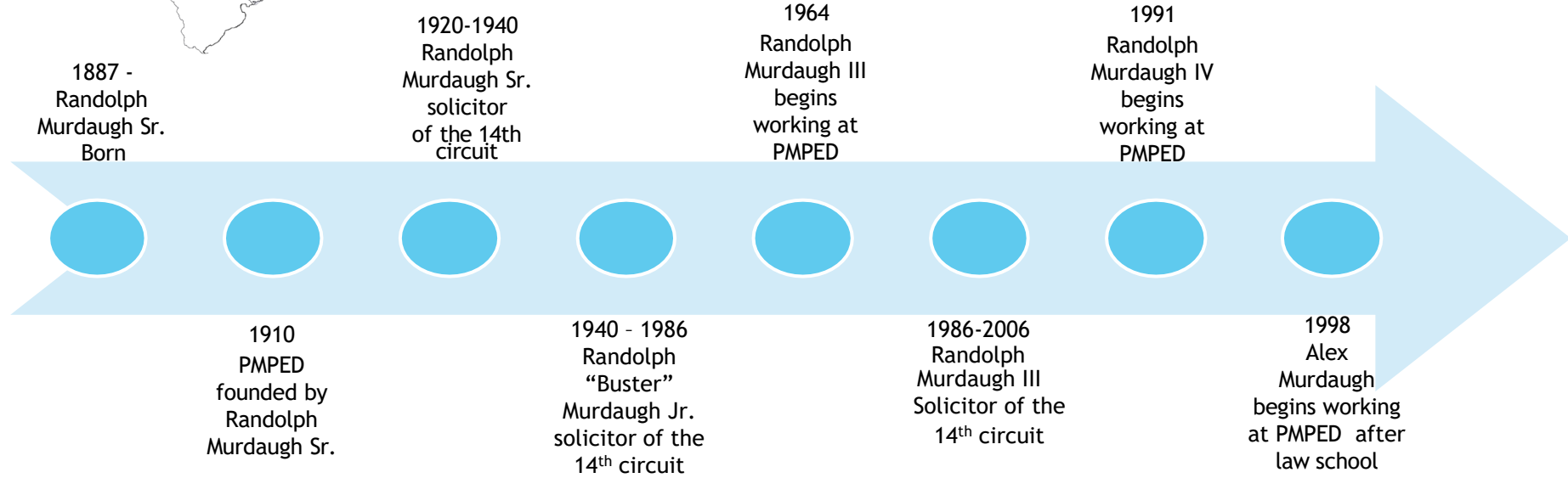


Credit: <https://murdaughmurderspodcast.com/episodes>

# The Rise of a Dynasty



"Murdaugh County"



**RANDOLPH MURDAUGH**

Candidate for Solicitor of the Fourteenth Judicial Circuit.

The Democrats of Hampton County, in convention assembled, at Hampton, on May 3rd, 1920, by rising vote, unanimously adopted the following resolutions:

"Whereas, Randolph Murdaugh, Esq., an attorney of the Hampton Bar, has announced his candidacy for Solicitor of the Fourteenth Circuit and

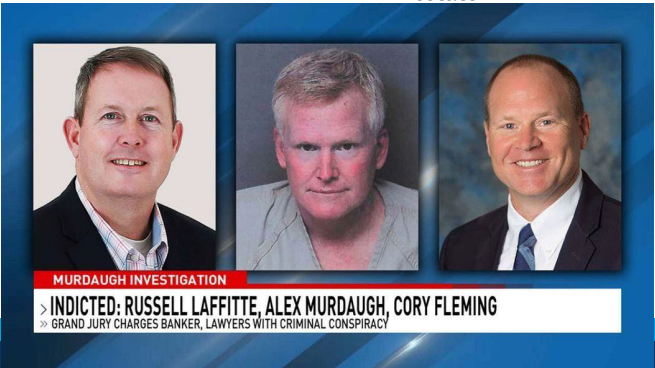
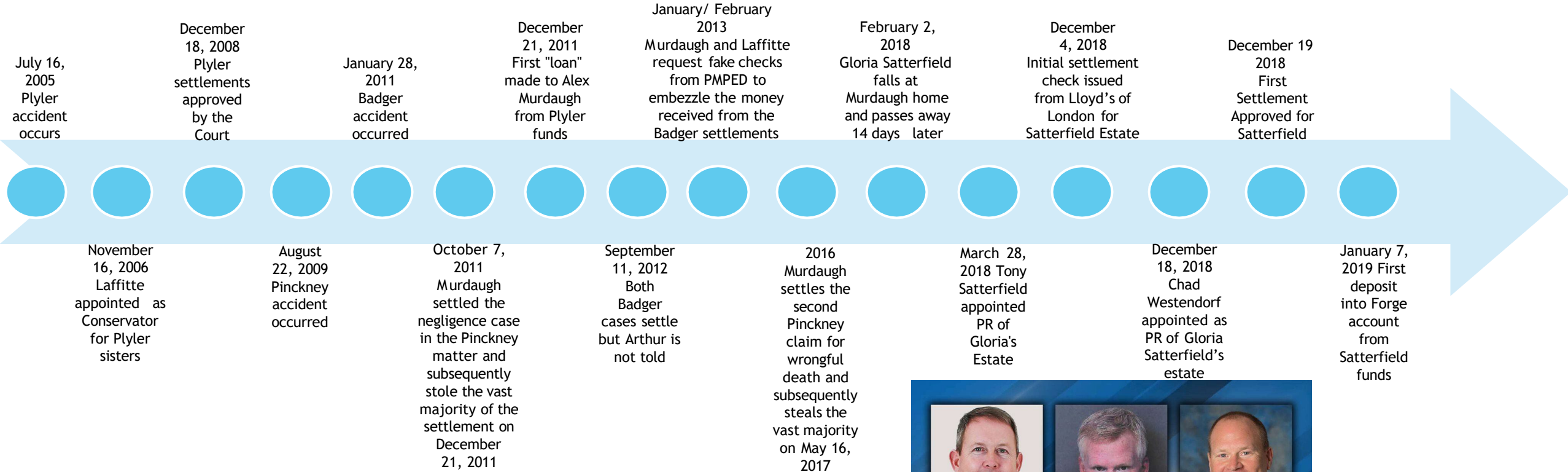
Whereas, the past record of said Randolph Murdaugh, Esq., has been praiseworthy in every particular,

NOW, therefore, be it resolved by the Democracy of Hampton County that the Convention endorses the candidacy of Randolph Murdaugh Esq., for the office of Solicitor of the Fourteenth Judicial Circuit, and that the Convention hereby commends Mr Murdaugh to the Democrats of the Circuit as especially fitted to make a faithful and efficient, yet merciful prosecuting attorney."

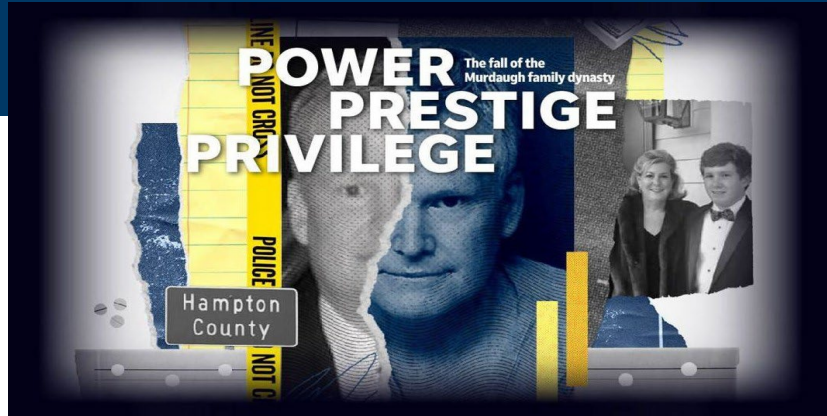
He is the only candidate for office of Solicitor of the Fourteenth Judicial Circuit who has been thus endorsed in any county in this circuit.

A vote for Randolph Murdaugh will not only be a vote for the winner, but will assure you of having a faithful, fearless and competent solicitor.

# Alex Murdaugh Steals Money from Clients without Repercussions



# The Decline Begins



February 24, 2019  
Mallory Beach Boating Accident

March 29, 2019  
Mallory Beach wrongful death lawsuit

April 18, 2019  
Paul Murdaugh charged with three felony counts in connection with the boat crash

June 10, 2021  
Motion to Compel hearing scheduled in Mallory Beach wrongful death lawsuit regarding Alex Murdaugh's finances

September 3, 2021  
Alex Murdaugh forced to resign from PMPED after the partner's learn of his mishandling client money

September 6, 2021  
Alex Murdaugh enters rehab program

September 8, 2021  
Alex Murdaugh's bar license is suspended by the South Carolina bar

March 2019  
Second Settlement check received in Satterfield case, quickly approved by Court

May 15, 2019  
Second deposit into Forge account from Satterfield funds

June 7, 2021  
Maggie and Paul Murdaugh murdered

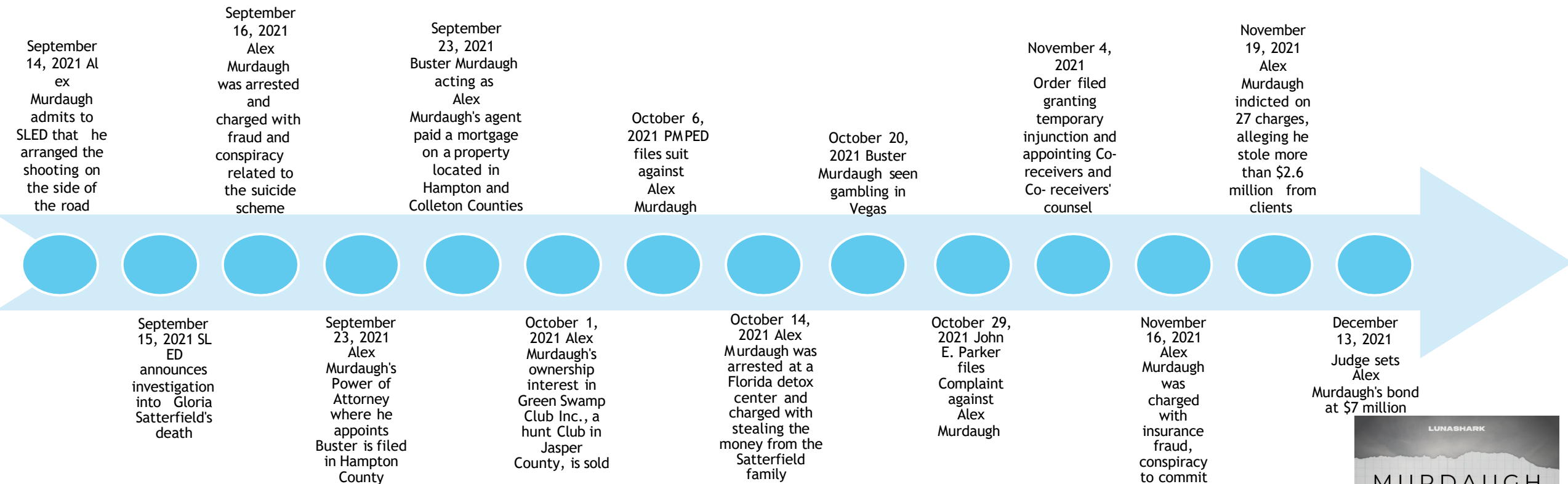
August 11, 2021  
Duffie Stone recuses himself from the murder investigation

September 4, 2021  
Alex Murdaugh stages fake shooting on the side of the road with Curtis Eddie Smith to give Buster the life insurance money

September 7, 2021  
PMPED states that Alex Murdaugh left due to "misappropriation of funds"

September 8, 2021  
14th Circuit Solicitors Office Officially Cuts ties with Alex Murdaugh

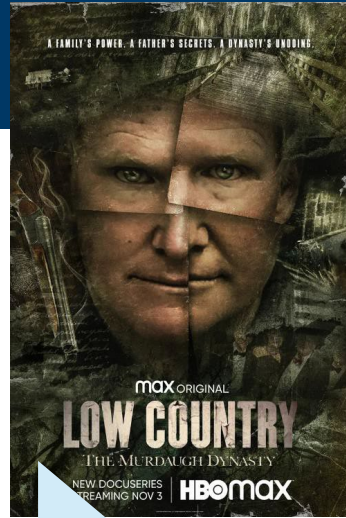
# More Lawsuits Against Alex Murdaugh Are Filed



**2024 MIDYEAR MEETING | February 18 – 23**



# Case garners national attention as more details emerge



January 7, 2022 PMPED renames itself The Parker Law Group, after the only living partner from the original PMPED name

June 3, 2022 SLED plans to exhume Gloria Satterfield's body

July 14, 2022 Alex Murdaugh was indicted on two counts of murder for his wife and son

July 12, 2022 Alex Murdaugh is disbarred by the South Carolina Bar

November 3, 2022 HBO Max releases a mini series on the Murdaugh murders entitled "Low Country: The Murdaugh Dynasty"

March 2022 Alex Murdaugh disclaims assets in Maggie's estate, her will passed all of her assets to Alex including the Edisto Beach house and Moselle

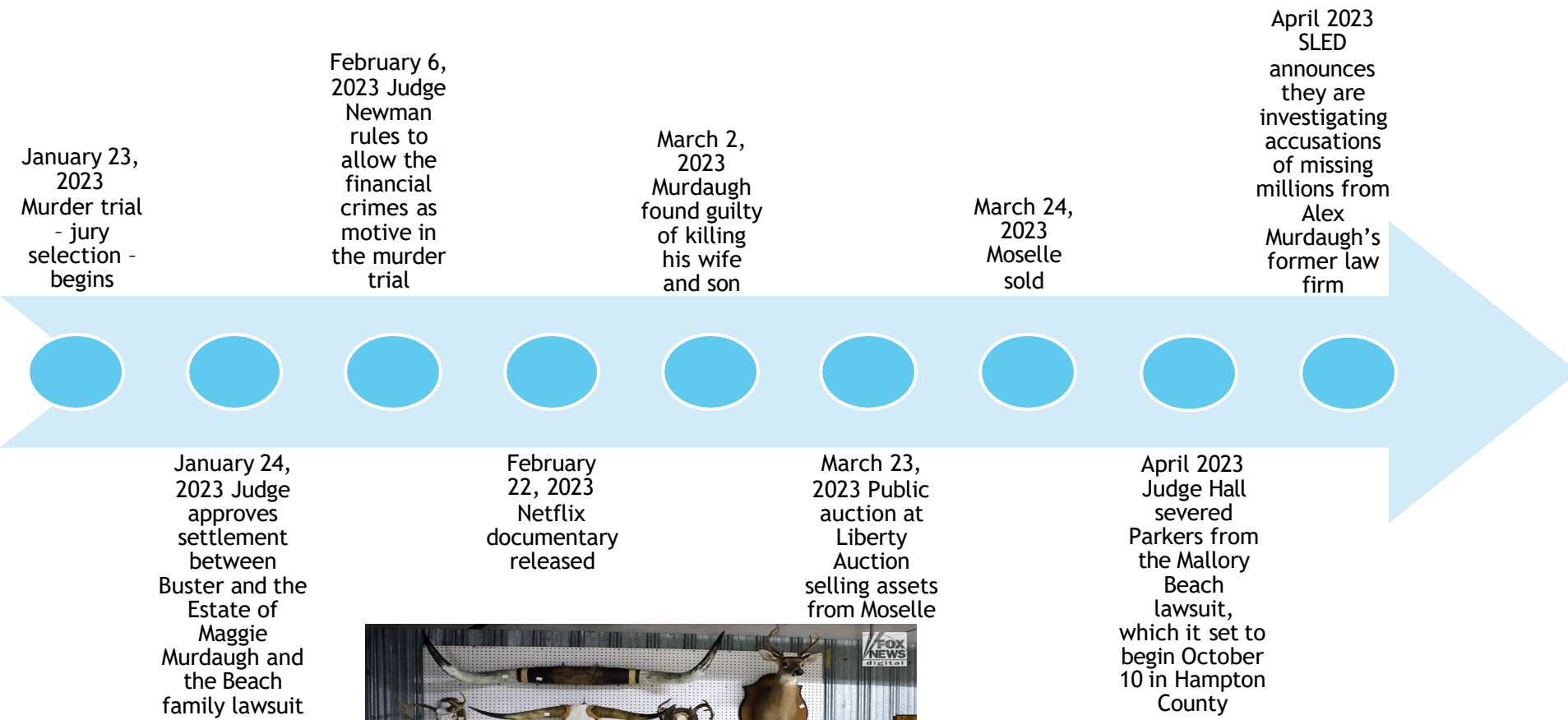
June 8, 2022 Alex Murdaugh and Curtis Eddie Smith were indicted by state grand jury on two conspiracy counts, including a narcotics count related to Oxycodone

June 16, 2022 Formal Order placing Alex Murdaugh on interim suspension based on information indicating he had stolen funds from PMPED

October 21, 2022 Motion to liquidate Murdaugh's 401k account to pay attorneys fees

December 16, 2022 A state grand jury indicted Alex Murdaugh on nine counts of tax evasion, with the estimated amount of money he stole at approximately \$8.8 million

# The First of Many . . .



The New York Times

## Breaking Silence, Murdaugh Brother Says 'Not Knowing Is the Worst Thing'

After Alex Murdaugh's trial ended in a conviction for the murders of his wife and son, his older brother Randy is still trying to understand what happened that night.

BBC

## Bubba, Buster, Paw-Paw - who's who in Murdaugh murder trial

© 3 March



npr

## Why America is obsessed with the Alex Murdaugh murder trial

THE NEW YORKER

NEWS DESK

## THE LINGERING MYSTERY OF THE ALEX MURDAUGH MURDER TRIAL

The jury reached a guilty verdict in less than three hours, but for many observers the human element of the story didn't quite add up.

VANTY FAIR  
SOUTHERN GOTHIC

## Netflix's *Murdaugh Murders* Team Say They've Uncovered New Crimes

While making the docuseries, which premieres Wednesday, the filmmakers say they uncovered Murdaugh-related corruption stretching "to the state and the federal level."

seventeen

Celebs & Entertainment + Movies & TV

## Here's a Timeline of All the Deaths on Netflix's *Murdaugh Murders*: A Southern Scandal

The true crime series explores the various deaths of five people over the span of six years.

Forbes

FORBES > BUSINESS

BREAKING

## Alex Murdaugh Was Found Guilty Of Murdering His Wife And Son—Here's What Legal Experts Say Led To His Conviction





3 Main Issues  
Leading to Alex  
Murdaugh's  
Denouement

- Boat Accident
- Financial Crimes
- Murders

# Alex Murdaugh's Financial Crimes

- He would divert fees that should have come into the firm
- He took money through an “expert fees” and Forge account that was really his
- He stole money directly out of accounts where he had a person in place as Personal Representative who provided loans at a low interest rate – which he never paid back
- Living out of his file
- Debt financing

# Who were some of Alex Murdaugh's victims?

## Gloria Satterfield's Family

- Murdaugh's housekeeper
- Stole the Money in 2019 and 2020 - led to lawsuits with insurance carrier
- Stole approximately \$4.3 million
- He represented to the family that he never secured a payout from the insurance company. Family claimed they didn't know the case had settled until they read about it in the newspaper.



## Alania Plyler Spohn and Hannah Plyler

- Clients of Alex Murdaugh, who suggested Russell Laffitte as conservator
- Stole the Money between 2011 and 2014
- Conservatorship account was short \$264,537
- Laffitte "loaned" Murdaugh over \$900,000 over the course of the representation
- Laffitte would "loan" money to Murdaugh with nominal interest rates of 1.5% from the account



## Donna and Arthur Badger

- Client of Alex Murdaugh, who unilaterally appointed Russell Laffitte as personal representative of Donna's estate
- Money stolen from him to repay part of the Plyler account
- Alex Murdaugh stole over \$1.3 million from Donna's estate over the course of 11 years
- Alex settled the wrongful death case for Donna's estate and Arthur's personal injury case without ever telling Arthur the true amount it had settled for.



## Pamela Pinckney and Hakeem Pinckney

- Client of Alex Murdaugh, who suggested Russell Laffitte as conservator for Hakeem
- Stole the Money in 2011 and 2016
- Stole approximately \$1 million
- Two settlements signed for an amount not publicly disclosed. Prior to Murdaugh's demise, Pamela had no idea he stole from her.





# Order granting Receivership in the Murdaugh case states the Receiver has the power and authority:

- (i) to investigate, identify and attempt to locate all of the Subject Assets;
- (ii) to collect, marshal and administer all of the Subject Assets;
- (iii) to accept service on behalf of Alex Murdaugh and/or Buster Murdaugh with respect to Alex Murdaugh Assets and/or Buster Murdaugh Assets, as the case may be;
- (iv) to engage counsel on behalf of Alex Murdaugh and/or Buster Murdaugh as it relates to Alex Murdaugh Assets and/or Buster Murdaugh Assets, as the case may be; and
- (v) to take any and all steps necessary to identify, recover, protect, collect, preserve, receive, manage, liquidate, sell, administer and marshal, and to do all things incidental, necessary and/or appropriate thereto, all of the Subject Assets during the pendency and final resolution of this lawsuit.

# Murdaugh Disciplinary Orders

- **There are 3 Orders from the South Carolina Supreme Court relating to Murdaugh's misdeeds.**
  - The first Order placed Alex Murdaugh on interim suspension based on information indicating he had stolen funds from PMPED. June 16, 2022.
  - The second Order cancelled the hearing for Alex Murdaugh's hearing regarding his disbarment, as he does not contest the Court's "authority and decision" to disbar him. June 21, 2022
  - The third Order disbarred Alex Murdaugh, relating to the 80 criminal charges and his admissions. July 12, 2022
- **In those orders, the Supreme Court stated:**
  - 1st Murdaugh Order

“However, here, Respondent has admitted to conduct that amounts to clear and convincing evidence of dishonesty in violation of the Rules of Professional Conduct. See Rule 8.4(d), RPC, Rule 407, SCACR (prohibiting **conduct involving dishonesty, fraud, deceit, or misrepresentation**); Rule 7(a)(1), RLDE, Rule 413, SCACR (providing a violation of the Rules of Professional Conduct is grounds for discipline).

Includes admissions from Alex Murdaugh about Satterfield **stolen funds**
  - 2nd Murdaugh Order

Alex Murdaugh waives right to hearing and does not contest disbarment
  - 3rd Murdaugh Order

Fn. 2: “Particularly, we emphasize this Court may issue supplemental orders on issues such as costs and restitution, especially if full restitution is not awarded in other proceedings. See *In re Moody*, 429 S.C. 627, 541 S.E.2d 327 (2020) (finding restitution was an appropriate additional sanction for conduct that occurred prior to the lawyer’s disbarment in 2014); see also Rule 7(b), RLDE, Rule 413, SCACR (setting forth various sanctions including restitution, disgorgement, reimbursement to Lawyers’ Fund for Client Protection, assessment of costs, assessment of a fine, and “any other sanction or requirement as the Supreme Court may determine is appropriate”).

# Drug addiction fueled by opioid epidemic

Attorneys for Murdaugh have said the "vast majority" of misappropriated funds were used to buy opioids, part of a multipronged case that has spawned more criminal investigations.



**Alex Murdaugh Was Paying Up to \$50,000 a Week for Drugs, His Lawyer Says**

**Rule 1.16(a)(2):** A lawyer shall not represent a client or, where representation has commenced, shall withdraw from the representation of a client if the lawyer's physical or mental condition materially impairs the lawyer's ability to represent the client.

**Alex Murdaugh Admits to Taking Up to 60 Pills of Oxycodone a Day Before Murders of Wife and Son**

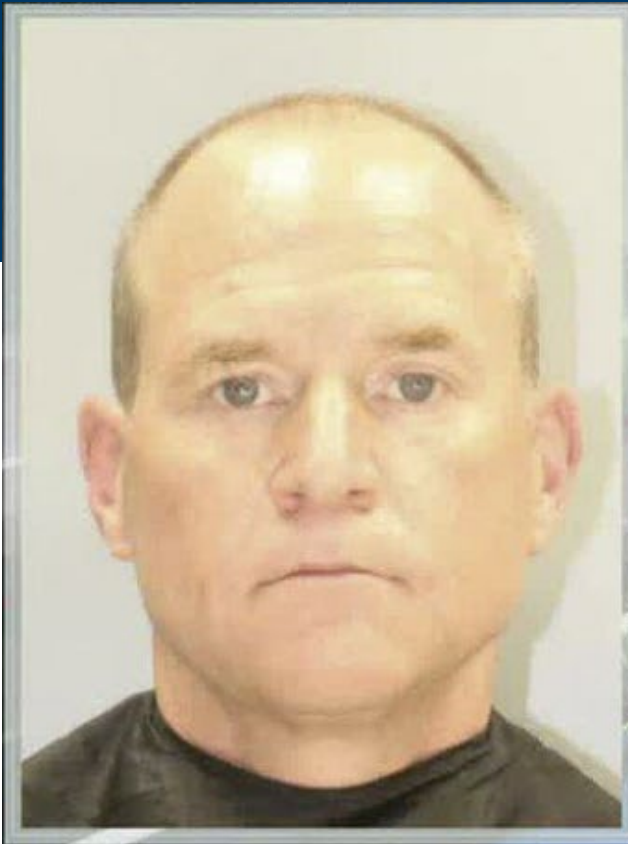
# Questions, complaints linger over state judge's role in Murdaugh saga

So far, she has declined to publicly address her role in approving a secretive \$4.3 million settlement in 2019 that Alex Murdaugh ultimately stole for himself. Nor has she explained her reasons for involving herself in that case just a month after recusing herself from another Murdaugh legal matter.

**Rule 8.4(f):** It is professional misconduct for a lawyer to knowingly assist a judge or judicial officer in conduct that is a violation of applicable rules of judicial conduct or other law.

**Rule 8.3(b):** A lawyer who knows that a judge has committed a violation of applicable rules of judicial conduct that raises a substantial question as to the judge's fitness for office shall inform the appropriate authority.





**CORY  
FLEMING**

**ACCUSED OF CRIMINAL CONSPIRACY**



**Rule 8.4(a):** It is professional misconduct for a lawyer to violate or attempt to violate the Rules of Professional Conduct, knowingly assist or induce another to do so, or do so through the acts of another

Murdaugh could not have defrauded the Satterfields out of millions of dollars without the “express assistance” of Fleming, who even allegedly split his share of his legal fees with Murdaugh.

# Alex Murdaugh's best friend testifies in double murder trial

**Rule 1.5(e):** A division of a fee between lawyers who are not in the same firm may be made only if:

- (1) the division is in proportion to the services performed by each lawyer or each lawyer assumes joint responsibility for the representation;
- (2) the client agrees to the arrangement, including the share each lawyer will receive, and the agreement is confirmed in writing; and
- (3) the total fee is reasonable



Chris Wilson, Hamberg-based personal injury attorney and friend of the Murdaughs, tears up while giving his testimony in Alex Murdaugh's trial for murder at the Colleton County Courthouse on Thursday, February 9, 2023. Andrew J. Whitaker/Staff

The two lawyers would often work personal injury cases together. Murdaugh and Wilson, who worked at different firms, generally agreed on a 50-50 split for any fees recovered in the case,

Waters asked Wilson about a personal injury case against Mack Trucks he tried with Murdaugh and another lawyer. They won two verdicts worth a combined \$5.5 million. Murdaugh's share of the legal fees was \$792,000, Wilson said.

But before Wilson could cut a check for Murdaugh's portion — made out to Murdaugh's law firm, per protocol — Murdaugh came to him in March 2021 and asked Wilson to directly send it to Murdaugh. The man told Wilson he planned to use the money to purchase annuities and place his fees in a structured settlement.

Murdaugh assured his friend he'd already cleared the arrangement with PMPED, Wilson said. The witness did as Murdaugh asked, he testified.



**DIRECT EXAMINATION** | Chris Wilson, Friend of Murdaugh



## Alex Murdaugh sued by his family's law firm for using fake account to steal millions

He "was able to covertly steal these funds by disguising disbursements from settlements as payments" to the account, the lawsuit said.

**Rule 8.4(c):** It is professional misconduct for a lawyer to engage in conduct involving dishonesty, fraud, deceit or misrepresentation.

## Rule 1.15:

(a) A lawyer shall hold property of clients or third persons that is in a lawyer's possession in connection with a representation separate from the lawyer's own property...

....  
(d) Upon receiving funds or other property in which a client or third person has an interest, a lawyer shall promptly notify the client or third person. Except as stated in this rule or otherwise permitted by law or by agreement with the client, a lawyer shall promptly deliver to the client or third person any funds or other property that the client or third person is entitled to receive.

- *Forge Consulting, LLC, is a company used by lawyers in South Carolina to facilitate legal settlements, including establishing annuities for their clients.*
- *Murdaugh created a fictitious bank under the name "Forge." Murdaugh would then deposit client funds into his own fake "Forge" account to set up an "annuity" for the client that he controlled.*

*Satterfield's heirs trusted Murdaugh, who had known them for years, but were kept in the dark when the court approved a \$4.3 million settlement that they were due to receive. Murdaugh and Fleming kept the settlement funds.*





# Trust Account Management: Who is responsible for Trust Account Violations?

**DEFAULT = ALL PARTNERS IN THE FIRM**

## NC RULE 1.15-4: ALTERNATIVE TRUST ACCOUNT MANAGEMENT PROCEDURE FOR MULTI-MEMBER FIRM

### (a) Trust Account Oversight Officer (TAOO).

Lawyers in a law firm of two or more lawyers may designate a partner in the firm to serve as the trust account oversight officer (TAOO) for any general trust account into which more than one firm lawyer deposits trust funds. The TAOO and the partners of the firm, or those with comparable managerial authority (managing lawyers), shall agree in writing that the TAOO will oversee the administration of any such trust account in conformity with the requirements of Rule 1.15, including, specifically, the requirements of this Rule 1.15-4. More than one partner may be designated as a TAOO for a law firm.

### (b) Limitations on Delegation.

Designation of a TAOO does not relieve any lawyer in the law firm of responsibility for the following:

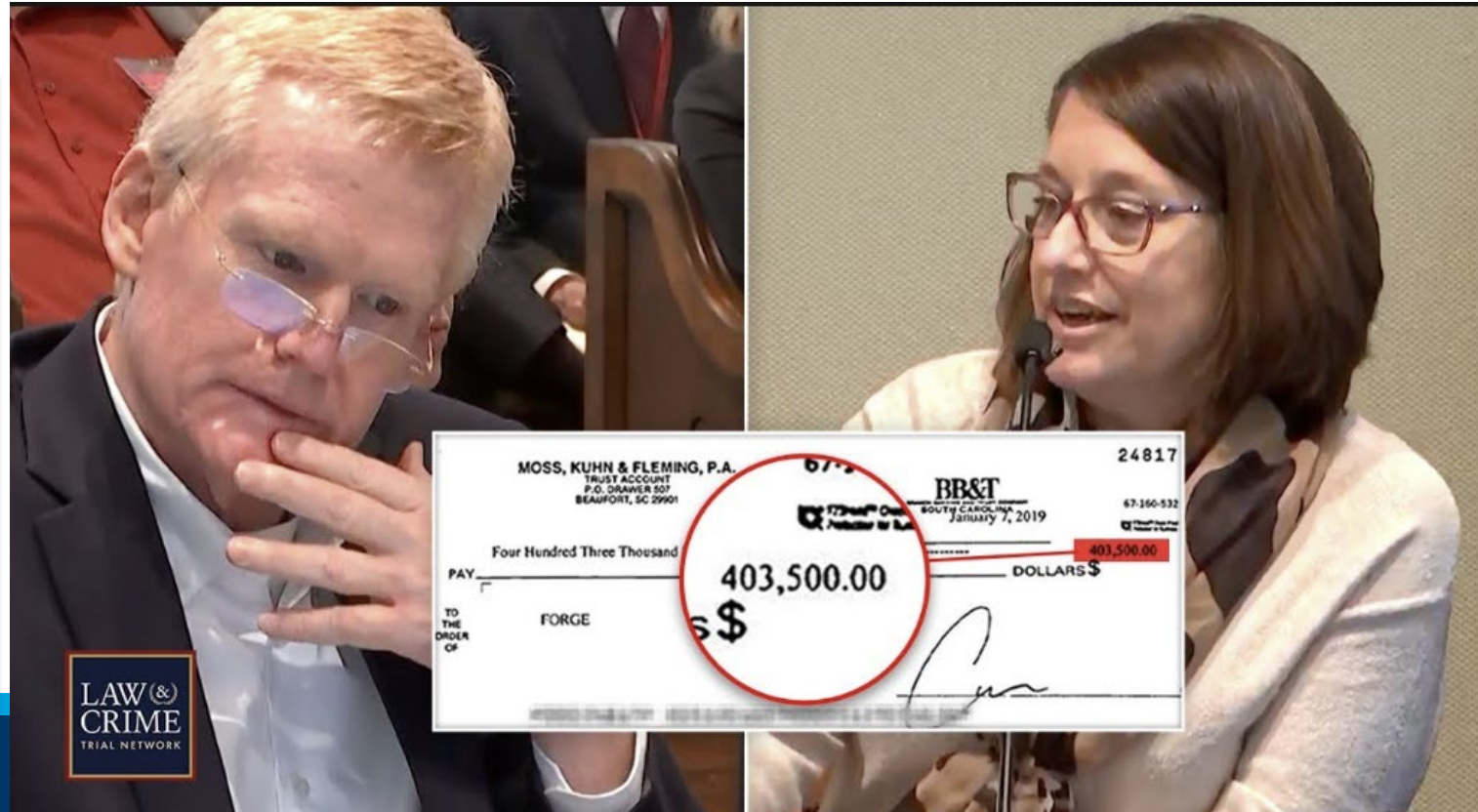
- (1) oversight of the administration of any dedicated trust account or fiduciary account that is associated with a legal matter for which the lawyer is primary legal counsel or with the lawyer's performance of professional fiduciary services; and
- (2) review of the disbursement sheets or statements of costs and receipts, client ledgers, and trust account balances for those legal matters for which the lawyer is primary legal counsel.

[Rule includes training requirements for TAOO]

# For 10 years, Alex Murdaugh's law firm missed millions in thefts. What went wrong?

From 2011 to 2021, in 30 different transactions, Murdaugh looted Peters Murdaugh Parker Eltzroth and Detrick's Client Trust Account of millions of dollars and funneled clients' money into personal bank accounts.

*The "Forge" account scheme was finally discovered by PMPED when he sent the attorney fee portion of a settlement to his own fake "Forge" account. Murdaugh was caught when his personal secretary was on vacation and an accounts payable department employee discovered the deposit of attorney fees to the "Forge" account*



**For 10 years, Alex Murdaugh's law firm missed millions in thefts. What went wrong?**

*The firm had few financial controls to guard against in-house embezzlements by lawyers. The firm recently told reporters ... that since learning of Murdaugh's action, the firm has "revamped" its procedures and now has strict financial security controls in place.*

**Rule 5.1:**

(a) A partner in a law firm, and a lawyer who ... possesses comparable managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that all lawyers in the firm conform to the Rules of Professional Conduct.



## Alex Murdaugh pleads guilty to state financial charges

The deal resolves 101 total state charges related to the financial wrongdoing, including allegations that Murdaugh stole millions in legal settlements from clients who were badly injured or from the families of those killed on the job. He also allegedly stole millions from his law firm and ducked hundreds of thousands in state income taxes.

## Alex Murdaugh pleads guilty to federal fraud and money laundering charges

Murdaugh agreed to plead guilty to 22 charges in all: one count of conspiracy to commit wire fraud and bank fraud; one count of bank fraud; five counts of wire fraud; one count of conspiracy to commit wire fraud; and 14 counts of money laundering.



**Rule 8.4(b):** It is professional misconduct for a lawyer to commit a criminal act that reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects;

*The New York Times*

The media industry raced to capitalize on interest in the trial.



The lawyers were not media-shy...



## Alex Murdaugh's trial judge calls out defense lawyer for tweet criticizing 'sloppy' law enforcement investigation



"This special referee, who is supposed to be fair and equitable, chose winners and losers, which is not fair," Bland said.

"It's victimizing the Satterfield's all over again. It's saying to them, 'You're not worthy,'" Bland said. "The Satterfields never expected that they would get the entire , no, but they fully expected that Alex Murdaugh would have to pay something."

'You're a thief and a liar,' an attorney representing a family of victims plans to tell the disgraced lawyer and convicted killer



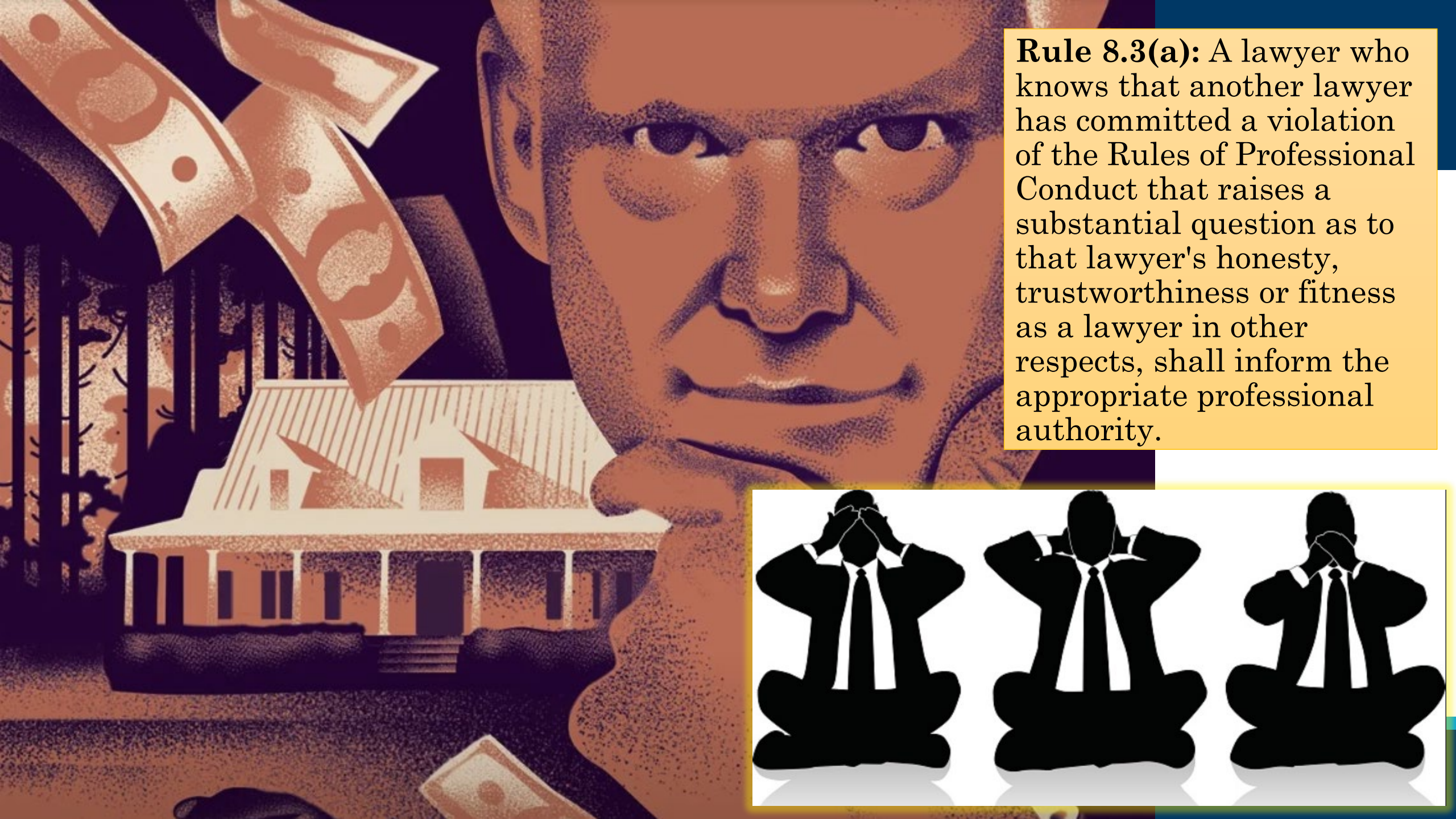
# Ethical Pitfalls in Public Commentary About Cases

## Rule 3.6 – Trial Publicity

- (a) A lawyer who is participating or has participated in the investigation or litigation of a matter shall not make an extrajudicial statement that the lawyer knows or reasonably should know will be disseminated by means of public communication and will have a substantial likelihood of materially prejudicing an adjudicative proceeding in the matter.
- (b) ....
- (c) Notwithstanding paragraph (a), a lawyer may make a statement that a reasonable lawyer would believe is required to protect a client from the substantial undue prejudicial effect of recent publicity not initiated by the lawyer or the lawyer's client. A statement made pursuant to this paragraph shall be limited to such information as is necessary to mitigate the recent adverse publicity

**Rule 8.2(a) – Judicial & Legal Officials:** A lawyer shall not make a statement that the lawyer knows to be false or with reckless disregard as to its truth or falsity concerning the qualifications or integrity of a judge, adjudicatory officer or public legal officer, or of a candidate for election or appointment to judicial or legal office

*What about post-trial publicity?*



**Rule 8.3(a):** A lawyer who knows that another lawyer has committed a violation of the Rules of Professional Conduct that raises a substantial question as to that lawyer's honesty, trustworthiness or fitness as a lawyer in other respects, shall inform the appropriate professional authority.





# What do you do when you suspect a partner or adversary is engaged in unethical behavior?

- **Duty to Report—Rule 8.3**
- **(A) A lawyer who knows that another lawyer has committed a violation of the Rules of Professional Conduct that raises a substantial question as to that lawyer's honesty, trustworthiness or fitness as a lawyer in other respects, shall inform the appropriate professional authority.**
- **(B) A lawyer who knows that a judge has committed a violation of applicable rules of judicial conduct that raises a substantial question as to the judge's honesty, trustworthiness, or fitness for office in other respects shall inform the appropriate authority.**
- **(C) This Rule does not require disclosure of information otherwise protected by Rule 1.6.**

# Duty to Report—Fallout

- *In the matter of a Member of the Bar of the Supreme Court of Delaware, Richard L. Abbott, Esquire*, Del. Supreme Court, No. 25-2023, November 9, 2023.

Following a court order for Abbott’s client to trim his trees within 10 days, Abbott suggested that the client transfer the property to his wife (with an intention to transfer the property back after the litigation) to avoid complying with the order. The Vice Chancellor reported Abbott to the Office of Disciplinary Counsel. Following this, Abbott “unleashed a persistent flurry of false invective impugning the integrity of the trial judge, ODC, and eventually this Court.” *Id.* at p. 2.

# What do you do when you suspect a partner or adversary is engaged in unethical behavior?

- Following his disbarment on November 9, 2023, Abbott refused to cooperate with the assigned Receiver, but has thrown more accusations and vitriol at the Delaware Supreme Court. *See First Accounting and Request for Relief from Order*, C.A. No. 2023-1141 JJC, December 18, 2023.

# Immunity from Reporting: North Carolina

N.C.G.S. § 84-28.2

## § 84-28.2. Persons immune from suit

Persons shall be immune from suit for all statements made without malice, and intended for transmittal to the North Carolina State Bar or any board, committee, officer, agent or employee thereof, or given in any investigation or proceedings, pertaining to alleged misconduct or disability or to reinstatement of an attorney. The protection of this immunity does not exist, however, as to statements made to others not intended for this use.

# Addressing Attorney Misconduct—Spoliation of Evidence

- Attorney appeared to ditch text messages between a fact witness and his client;
- Messages were marked as evidence at deposition of fact witness;
- Action taken: Filed motion for sanctions and motion to reopen discovery to determine spoliation issues;
- Matter resolved and motions were not determined;
- Attorney not reported because lack of discovery to determine if attorney or client and witness deleted messages.

# Addressing Attorney Misconduct—Billing Fraud

- Attorney billed time for activities she did not perform and claimed mistake and that clients approved it.
- Result: Suspended.

- Client could not pay firm's fees so lawyer made a side deal to have client deposit money at a lower fee into a personal account.
- Result: Censured.

# Attorney in Large Firm Imprisoned for Money Laundering

- *U.S. Attorney Damian Williams said: “Mark Scott, previously convicted at trial of laundering over \$400 million of OneCoin proceeds for ‘Crypto Queen,’ Ruja Ignatova, used his law license as a means to participate in a massive money laundering scheme for a cryptocurrency that had no value since its inception. Scott, an equity partner at a prominent international law firm, had boasted of earning ‘50 by 50.’ Indeed, Scott accomplished his goal, but by fraud and deception, and will now spend a decade in prison and has been ordered to forfeit all of his illegal proceeds.”*
- Scott purportedly earned \$50 million for his money laundering services.

Questions?



# Ethics and the Indiscriminate Liar: “Oh What Tangled Webs We Weave...” aka “Ethics in the Low Country?”

**VERIFICATION CODE**

**iadc&**

## **FOR CLE CREDIT:**

1. Write down or take a photo of this Verification Code.

You **MUST** complete the evaluation to earn CLE Credit.

2. Either click the “Evaluation” button from the program on your **Meeting App** to enter the Verification Code and complete the Program Evaluation now.

**OR**

3. Save the code to take the evaluation later.