

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

NAUTILUS INSURANCE COMPANY,

Petitioner,

v.

THE UNITED STATES OF AMERICA and
RICHARD ALEXANDER MURDAUGH, Sr.,

Respondents.

In re Grand Jury Subpoena 2022-0064

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

COMPLAINT

COMES NOW Nautilus Insurance Company (“Nautilus”) requesting a declaration as to its rights and obligations with regard to a Grand Jury Subpoena issued by the United States of America and Defendant Richard Alexander Murdaugh’s (“Murdaugh’s”) rights and obligations with regard to Nautilus. Nautilus’ grounds are as follows.

1. Nautilus is an insurer organized under the laws of Arizona and with its principal place of business in Scottsdale, Arizona.
2. Murdaugh is a citizen and resident of Colleton County, South Carolina.
3. The United States has subpoenaed records from Nautilus regarding coverage it issued to Murdaugh (Grand Jury Subpoena Number 2022-0064 (“the Subpoena”).
4. Nautilus issued umbrella policy PU3686804 to Murdaugh with coverage for the year 2018-19 (“the Policy”).
5. The Policy provided \$5,000,000 in umbrella coverage to Murdaugh subject to the policy terms.
6. On February 2, 2018, Gloria Satterfield fell at Murdaugh’s property. She died on February 26, 2018.
7. Mr. Murdaugh made a claim under the Policy with regard to claims against him purportedly on behalf of the estate of Ms. Satterfield (“the Claims”).
8. Nautilus provided defense counsel for Mr. Murdaugh and ultimately paid in excess of \$75,000 in resolution of the Claims.
9. Beginning in July 2021 and continuing through the filing of this action, Nautilus became aware of facts regarding the Claims, allegations of insurance fraud, conspiracy to commit insurance fraud, and allegations of criminal conduct (“the Irregularities”). The Irregularities suggested Murdaugh and others coordinated

efforts to improperly obtain insurance money, leading the United States to investigate financial irregularities and serving a subpoena on Nautilus on February 8, 2022 for Nautilus' files, including files over which Murdaugh may have claims of privilege (the files of the firm that defended Murdaugh in the Satterfield claims, Murphy & Grantland).

10. Nautilus provided certain files in its possession—consisting of, *inter alia*, claims notes and communications with counsel provided by Nautilus to defend Murdaugh (Murphy & Grantland, P.A.)—to Murdaugh's counsel and asked they advise as to whether Murdaugh claimed privilege. Murdaugh asserted privilege. **Exh. A.**
11. Nautilus asked Murdaugh's counsel for a privilege log (**Exh. A**), and no such log has been produced.
12. Nautilus has not produced materials sought by the Subpoena over which there has been a claim of privilege by Murdaugh.
13. Because Murdaugh's invocation of privilege has constrained Nautilus' ability to respond to the Subpoena, there exists an actual and current controversy or uncertainty of legal relations between Nautilus and Murdaugh, and/or among Nautilus, Murdaugh, and the United States that requires resolution by this Court and a declaration of the rights and obligations of the parties arising out of the Subpoena, the Policy, and the Claims.
14. Further, because of the Irregularities concerning the Policy and payments made by Nautilus, Nautilus asks this Court to declare the rights and obligations of Murdaugh and Nautilus.
15. This Court has jurisdiction pursuant to 28 U.S.C. § 2201, Rule 57, F.R.C.P., and the Court's supervisory power to regulate the manner in which grand jury investigations are conducted.
16. Nautilus requests this Court adjudicate and declare the parties' rights and obligations and requests such other relief incidental to a ruling pursuant to Rule 57, F.R.C.P.

WHEREFORE, Nautilus requests this Court declare the rights and obligations of the parties arising out of the Subpoena, the Policy, and the Claims.

[signature on following page]

This 22nd day of April, 2022
Charleston, South Carolina

Respectfully submitted:

/s/Jaan Rannik

EPTING & RANNIK, LLC

Jaan G. Rannik (Fed I.D. No. 12621)

46A State Street

Charleston, SC 29401

P: (843) 377-1871

F: (843) 377-1310

jgr@epting-law.com

COUNSEL FOR NAUTILUS INSURANCE COMPANY

COURTESY OF
LUNA SHARK MEDIA