

STATE OF SOUTH CAROLINA)
)
 COUNTY OF BAMBERG)
)
 Earl A. Mansfield and Steven Griffith,)
)
 Plaintiffs,)
)
 vs)
)
 Edisto Electric Cooperative, Inc.)
)
 Defendant.)

IN THE COURT OF COMMON PLEAS
 SECOND JUDICIAL CIRCUIT

CASE NO.:

COMPLAINT
 (Declaratory Judgment/Class Action)

FILED
 BAMBERG COUNTY
 2009 MAY 21 AM 11:22
 JAMES E. SMITH
 CLERK OF COURT
 BAMBERG, SC

THE PLAINTIFFS WOULD RESPECTFULLY ALLEGE AND SHOW UNTO THIS
 HONORABLE COURT, AS FOLLOWS:

JURISDICTION AND VENUE

1. Earl A. Mansfield and Steven Griffith are citizens and residents of Barnwell County, South Carolina.
2. Edisto Electric Cooperative is an electric cooperative organized under the laws of the State of South Carolina, with its main office for transacting business in Bamberg, South Carolina. Edisto Electric provides electricity to rural residences located in Allendale, Bamberg, Barnwell, Colleton, Hampton, Dorchester and Orangeburg counties.
3. This action involves and relates to the internal affairs and governance of a South Carolina corporation under South Carolina law and its retention of monies required to be paid to members of the class as defined below.
4. This action is brought pursuant to S.C. Code Ann. §15-53-10 et seq.
5. The named Plaintiffs, on their behalf, and on the behalf of all class members seek declaration that the Defendant's bylaws and/or implementation and interpretation of the bylaws

are contrary to public policy, oppressive, illegal and unfairly prejudicial to members of the class, and to construe the bylaws so as to require payment of all patronage capital credits to class members, together with prejudgment interests from the date the credit should have been paid or credited toward their respective account or other alternative relief as may be deemed equitable by the Court.

6. Upon information and belief two-thirds of all class members reside in South Carolina. Further, upon information and belief no other class action has been filed against the Defendant asserting the same or similar right to relief within the last three years.

ALLEGATIONS AS TO CLASS

7. This action is brought by the named Plaintiffs as a class action on behalf of themselves and all others similarly situated under the provisions of South Carolina Rule of Civil Procedure #23.

8. The class consists of “all persons, their heirs, successors or assigns who purchased electricity from Defendant and who no longer obtain their electric service from Defendant; who have earned patronage capital credits which have not been refunded to them or their estate” (former customers).

9. Upon information and belief, the class consists of more than 100 persons and is so numerous that joinder of individual members is impractical.

10. There are common questions of law and/or fact in this action that relate to and affect the rights of each member and the relief sought is common to the entire class. The common questions of law and/or fact include whether it is proper for the bylaws of the co-op to restrict refund of patronage capital credits until after the death of the customer/co-op member, without interest and named Plaintiffs and all other class members right to recover these amounts.

11. The claims and defenses of the named Plaintiffs are typical of the claims and defenses of the class.

12. S.C. Code Ann. 15-53-80 requires all persons who have any claim or interest to be affected by the declarative judgment action to be made parties. Class treatment and certification of this action is the best possible means to achieve this result.

13. The named Plaintiffs will fairly and adequately represent and protect the interests of the class.

14. Pursuant to S.C.R.C.P 23 this action is properly maintained as a class action in that the prosecution of several actions by individual members of the class would create the risk of varying adjudications with respect to members of the class as well as create inconsistent standard of conduct for those opposing the class. Further, individual actions by members of the class may be dispositive of the interests of other members who are not parties to the adjudication of the claim, which would impair or impede the ability of those individuals to protect their interests.

15. The class action is superior to other available methods for the fair and efficient adjudication of this controversy.

ALLEGATIONS AS TO CLASS REPRESENTATIVES

16. From 1985 until 1996 Earl A. Mansfield resided at Route 2, Box 409, Barnwell, South Carolina and received his electricity from Edisto Electric.

17. From 1989 until 2005 Steven Griffith resided at 95 Deer Run Road, Williston, South Carolina and received his electricity from Edisto Electric.

18. Both named Plaintiffs paid all charges due to the Defendant.

19. Both named Plaintiffs had no other choice but the Defendant for electric service.

20. During the period Plaintiffs obtained electrical service from Defendant, they

earned capital credits which represent their equity in the co-op.

21. According to the bylaws of the Defendant patronage capital is not payable to the Plaintiffs until their death and then are payable at the pleasure of the Defendant without interest.

22. Earl Mansfield is currently 43 years old (d/o/b 9/25/65) and his life expectancy is 34.61 years according to S.C. Code Ann. 19-1-150 (1976). Steve Griffith is currently 49 years old (d/o/b 8/15/59) and his life expectancy is 29.18 years according to S.C. Code Ann. 19-1-150 (1976)

23. There is no real expectancy that Named Plaintiffs or other class members will receive benefit from their patronage capital credits.

24. Upon information and belief the number of former customers is substantial and may exceed the number of current users of electricity.

25. Although Named Plaintiffs and other class members still retain an equitable interest in the Defendant by the terms of the bylaws they are not notified of annual meetings and do not have a vote or choice in the governance of the co-op.

26. That in spite of Defendant's ability to refund patronage capital credits to its customers and former customers the management and directors of the Defendant has refused to do so as required by law.

27. No market exists for which class members can sell their patronage capital credits or equity in the Defendant and they are locked in or have an investment in the enterprise until death with no possibility of growth in the investment.

FOR A FIRST CAUSE OF ACTION
(Declaratory Relief)

28. The allegations made above are incorporated herein by reference.

29. Defendant's bylaws and conduct is oppressive against public policy, illegal and unfairly prejudicial to all persons with an equity interest (patronage capital) in the corporation in but not limited to the following particulars:

- a) "freezing" out class members by depriving them of any right to vote and have a voice in the control of the corporation;
- b) borrowing money which may impede the payment of capital credits and which is of no benefit to class members;
- c) refusing to refund patronage capital;
- d) by locking class members into a state of perpetual investment in the co-op with no expectation of return, and according to the Defendant's bylaws no interest or dividends on the investment;
- e) by providing that, if and when patronage capital is retired, that unclaimed patronage capital refunds shall inure to the benefit of current users of electricity;
- f) failing to comply with S.C. Code Ann. 33-49-460;
- g) failing to give class members notice of meetings;
- h) depriving class members of their right to vote;
- i) arbitrarily treating class members differently than other members of the co-op in determining whether to refund patronage capital, with no reasonable basis or justification;
- j) in such other particulars as may be shown.

30. Named Plaintiffs are informed and belief this Court should issue its Order:

- (a) canceling all provisions of the bylaws restricting payment of patronage capital credits

including but not limited to striking all portions of the bylaws prohibiting the refund of patronage capital credits to class members; (b) canceling any corporate resolution restricting payment of patronage capital credits to class members; and (c) directing the officers and directors of the corporation to refund patronage capital to class members with prejudgment interest from the time patronage capital should have been paid, or in the alternative from when the class member ceased using electricity in the co-op.

FOR A SECOND CAUSE OF ACTION
(Accounting)

31. Plaintiff realleges the above paragraphs as if fully repeated herein.

32. Plaintiff demand an accounting of all monies owed and wrongfully withheld from class members and seek an Order requiring disbursement of those funds to class members together with prejudgment interest.

FOR A THIRD CAUSE OF ACTION
(Unfair Trade Practices Act)
(Individually for Named Plaintiffs)

33. The allegations made above are incorporated herein by reference.

34. The misconduct alleged above constitutes the perpetration of unfair and/or deceptive acts or practices in trade or commerce, with a resulting harm to plaintiffs.

35. These unfair and/or deceptive acts or practices are capable of repetition or otherwise affect the public and the public interest.

36. These unfair and/or deceptive acts or practices were willful and a knowing violation of S.C. Code § 39-5-20.

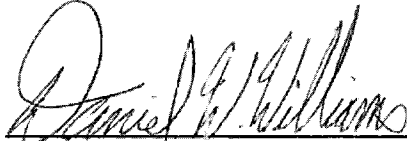
37. As a result of defendant's unfair and/or deceptive acts or practices, including a willful violation of the State of South Carolina Unfair Trade Practices Act, Plaintiffs individually

have been damaged, have suffered an ascertainable loss of money or property, and are entitled to a judgment against defendants, jointly and severally, for actual damages, treble damages, plus pre-judgment interest, costs and attorneys' fees.

WHEREFORE, the named Plaintiffs pray this Court:

- a) inquire into all matters alleged herein;
- b) certify this action as a class action, naming them as class representatives and appointing the undersigned as class counsel;
- c) cancel provisions of bylaws or any corporate resolution prohibiting the payment of capital credits when they become due;
- d) directing Defendant to disburse all patronage capital to its patrons with prejudgment interest from when the patronage capital was posted; or in the alternative from when the co-op should have refunded the patronage capital;
- e) for damages in an amount to be determined by the trier of fact, including treble damages and attorney fees;
- f) for such other and further relief as this Court deems just and proper.

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