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SC Court of Appeals

THE STATE OF SOUTH CAROLINA

In The Court of Appeals

APPEAL FROM HORRY COUNTY

Court of Common Pleas

Fifteenth Judicial Circuit

Honorable Michael G. Nettles, Circuit Court Judge

Trial Court Case No. 2020-CP-26-06420

Appellate Case No. 2022-001035

Grand Strand Resort III Homeowners Association, Inc. Plaintiff

v.

PGP III, LLC, Philip "Phil" G. Pate, South Atlantic Bank and United Community Bank Defendants,

of whom

PGP III, LLC and Philip "Phil" G. Pate Appellants,

v.

Grand Strand Resort III Homeowners Association, Inc. Respondent.

RESPONDENT'S INITIAL BRIEF

William W. DesChamps, Jr., Esq.
DESCHAMPS LAW FIRM
1357 21st Avenue North, Suite 102
Myrtle Beach, South Carolina 29577
(843) 448-2391
wwd@deschampsllaw.com
Counsel for Respondent



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STATEMENT OF THE ISSUES ON APPEAL

1. DID THE CIRCUIT COURT ERR IN FINDING THAT APPELLANTS WERE NOT ENTITLED TO A JURY TRIAL ON RESPONDENT'S CAUSES OF ACTION ALLEGED IN THE COMPLAINT FOR THE FORECLOSURE AND SALE OF A CONDOMINIUM COMMON EXPENSE LIEN AND THE RESIDUE OF THE CONDOMINIUM LIEN INDEBTEDNESS REMAINING AFTER THE JUDICIAL SALE OF THE CONDOMINIUM?
2. DID THE CIRCUIT COURT ERR IN FINDING THAT ONE OR MORE OF THE COUNTERCLAIMS ALLEGED AGAINST RESPONDENT WERE PERMISSIVE WHEN LIABILITY UNDER THE MASTER DEED FOR PRO RATA COMMON EXPENSES AROSE UNDER THE MASTER DEED FOR THE HORIZONTAL PROPERTY REGIME AND THE HORIZONTAL PROPERTY REGIME ACT AT THE TIME OF THE ACCEPTANCE BY THE APPELLANTS OF EACH OF THEIR RESPECTIVE DEEDS OF CONVEYANCE?
3. DID THE CIRCUIT COURT ERR IN FINDING THAT THE APPELLANTS WHO ASSERT THE POSSIBILITY OF A THIRD-PARTY CLAIM INVOLVING AN ACTION AT LAW HAVE A RIGHT TO A JURY TRIAL ON THE THIRD-PARTY CLAIM IN A FORECLOSURE ACTION WHEN THE MAIN PURPOSE OF THE COMPLAINT IS AN EQUITABLE ACTION TO FORECLOSE A COMMON EXPENSE LIEN?
4. IS AN APPELLANT, AT THE APPELLATE COURT LEVEL, ENTITLED TO ARGUE ISSUES NOT RAISED AND/OR FACTS NOT ADMITTED INTO EVIDENCE IN THE LOWER COURT?

A handwritten signature in black ink, appearing to be a stylized name or set of initials, located in the lower right quadrant of the page.

COUNTER-STATEMENT OF THE CASE

This is an appeal from the Circuit Court’s Order dated June 16, 2022 denying Appellants’ Motion to Alter and Amend Order of Reference of the Circuit Court filed on October 20, 2021. The task of the Appellate Court in this case is to review the Circuit Court’s Order of Reference filed October 20, 2021 and its subsequent Order of June 16, 2022 denying the Appellants’ motion to alter or amend the Order of Reference. In conducting such review, an Appellate Court considers two distinct legal concepts – the scope of review and the standard of review. The scope of review are the issues that an Appellate Court will decide. The standard of review refers to the level of deference an Appellate Court will grant the decision of the lower court being reviewed.

The Respondent-Plaintiff Grand Strand Resort III Homeowners Association, Inc. (hereinafter sometimes referred to as “HOA”) is a South Carolina non-profit corporation created to administer, govern, and operate Grand Strand III Horizontal Property Regime (hereinafter sometimes referred to as “HPR”) located in North Myrtle Beach, Horry County, South Carolina.

The HOA and HPR were established pursuant to the South Carolina Horizontal Property Act, S.C. Code § 27-31-10, *et seq.* and the Master Deed for the HPR and By-Laws for the HOA dated July 1, 1988 and recorded August 18, 1988 in Deed Book 1243 at Page 390 through 442, Horry County Records. (Master Deed, pp. 1-24; By-Laws, pp 1-18). The By-Laws for the HOA were amended by Amendment dated February 18, 1990 and recorded February 22, 1990 in Deed Book 1401 at Page 123, Horry County Records. (Amended By-Laws, pp. 1-2). The Master Deed for the HPR was amended by Amendment dated and recorded January 26, 1994 in Deed Book 1690 at Page 270, Horry County Records. (Master Deed Amendment, pp 1-25).

The Appellant Phil G. Pate (“Pate”) in consideration of the transfer of a membership interest in the Appellant PGP III, LLC (“PGP”), a South Carolina limited liability company,



conveyed fee title to Dwelling (Unit) Number 32 of Grand Strand Resort III Horizontal Property Regime by Deed dated July 23, 2019 and recorded July 24, 2019 in Deed Book 4227 at Page 603, Horry County Records. (Deed into PGP, pp. 1-5). Pate had previously been conveyed the fee title to said condominium unit by Deed of Phil G. Pate, aka Phillip G. Pate, aka Phil Pate and Janet R. Pate aka Janet Pate by Deed dated December 7, 2012 and recorded December 12, 2012 in Deed Book 365 at Page 2656, Horry County Records. (Deed into Pate, pp. 1-9).

On November 2, 2020, HOA filed a Notice of Condominium Assessment Lien (Notice of Condominium Assessment Lien, pp. 1-6) as well as a Notice of *Lis Pendens* (Notice of *Lis Pendens*, pp. 1-2) encumbering Penthouse Unit 32 of Grand Strand Resorts (a Condominium) in Horry County, South Carolina, TMS No. 144-13-38-025, PIN No. 357-14-01-0113. The Notice of Condominium Assessment Lien filed on November 2, 2020 listed the Defendant PGP III, LLC (“PGP”) as the present record title owner with the Defendant Phil G. Pate (“Pate”) listed as the previous record title owner and South Atlantic Bank (“SAB”) and United Community Bank (“UCB”) listed as the mortgagees of record. SAB is no longer a party of record. UCB is not a party to this appeal.

On November 5, 2020, HOA filed its Verified Complaint for Foreclosure of the Condominium Common Expense Lien, Appointment of Receiver and Judgment of Foreclosure and Sale. HOA, in its Complaint, requested judgment against Appellants PGP and Pate (hereinafter sometimes referred to as “Defendant Property Owners”) for payment of the residue of the common expense indebtedness, if any, remaining unsatisfied after the judicial sale of the parcel of real property secured by the common expense lien as enunciated in the enabling documents.

On November 13, 2020, HOA, pursuant to Rules 53 and 71 of the South Carolina Rules of Civil Procedure, filed a notice of motion and motion for Order of Reference to refer the

condominium expense foreclosure action to the Master-in-Equity of Horry County to take testimony arising under the pleadings, to make findings of facts and conclusions of law with authority to dispose of any and all issues, and enter a final judgment of foreclosure and sale. As a part and parcel of the motion for Order of Reference, pursuant to the enabling documents, HOA moved for the appointment of a Receiver. (Notice of Motion, pp. 1-2).

Appellants filed an Answer and Counterclaim on January 25, 2021 (Answer and Counterclaim pp. 1-8) wherein they demanded a jury trial on the “Defendants” rather than the HOA’s causes of action. The captions in the Answer set forth the defenses of: (i) lack of notice and demand for accounting; (ii) unclean hands; (iii) payment, acceptance, accord and satisfaction; (iv) express release, waiver and estoppel; and Counterclaims for: (i) alleged failure to follow the South Carolina Homeowners Association Act, (ii) alleged failure to follow the formal requirement of any corporation in South Carolina; and (iii) request for declaratory judgment.

On March 24, 2021, HOA filed its Reply to Defendants PGP and Pate’s Answer and Counterclaims. (Reply, pp. 1-7).

On October 6, 2021, HOA filed its Memorandum of Law and attachments in support of its Motion to Refer. (Plaintiff’s Memorandum of Law in Support of Its Motion to Refer, pp. 1-8, and Exhibit A (Articles of Incorporation, pp. 1-2), Exhibit B (Deeds, pp. 1-17) and Exhibit C, relevant portions of the Master Deed, pp. 1-5)).

A hearing on the motion to refer was held before the Honorable Michael G. Nettles on October 11, 2021. The Appellants have chosen not to include a transcript of the October 11, 2021 hearing in their Designation of Matter to be included in the record on appeal (“Designation of Matter”). The Circuit Court granted Respondent’s motion for an Order of Reference as it found that the main purpose of the Complaint was an equitable action to foreclose a common expense

lien and that the Counterclaims alleged by Appellants were permissive. In accordance with the Order of Reference executed by the Honorable Michael G. Nettles on October 20, 2021, the within action was referred to the Master-in-Equity for Horry County with authority to dispose of any and all issues and enter a final judgment of the case with any appeal from the Order of said Master-in-Equity to be to the South Carolina Supreme Court or Court of Appeals. (Order of Reference, pp. 1-6).

On November 1, 2021, the Defendant Property Owners PGP and Pate filed a Notice of Motion to Alter and Amend Order of Reference Filed on October 20, 2021. (Motion to Alter and Amend Order of Reference, pp. 1-5).

Plaintiff HOA filed its Return to Defendants PGP and Pate's Motion to Reconsider on November 23, 2021. (Plaintiff's Return to Defendants PGP and Pate's Motion to Reconsider, pp. 1-4).

The Motion for Reconsideration was heard before the Honorable Michael G. Nettles on January 27, 2022. The written Order denying the motion for reconsideration was executed by the Honorable Michael G. Nettles on June 16, 2022. (Order, pp. 1-7).

Defendants PGP and Pate filed their Notice of Appeal appealing the June 16, 2022 Order on July 15, 2022. (Notice of Appeal, pp. 1-2).

Appellants have proposed in their Designation of Matter a copy of the transcript of the January 27, 2022 hearing on Appellants' motion to alter or amend. (Transcript, pp. 1-35). Said January 27, 2022 transcript does not provide a record that any deposition testimony was admitted into evidence.

STANDARD OF REVIEW

The task of the Appellate Court in this case is to review the Circuit Court's Order of Reference filed October 20, 2021 and its subsequent Order of June 16, 2022 denying the Appellants' motion to alter or amend the Order of Reference. In conducting such review, an Appellate Court considers two distinct legal concepts – the scope of review and the standard of review. The scope of review are the issues that an Appellate Court will decide. The standard of review refers to the level of deference an Appellate Court will grant the decision of the lower court being reviewed.

There is a presumption in favor of the correctness of an Order; the Appellant must overcome that presumption and has the burden of presenting a sufficient record for review. *Dick & Gillam, Inc. v. Cleland*, 295 S.C. 124, 357 S.E.2d 430 (Ct. App. 1988); *Vespazianni v. McAlister*, 307 S.C. 411, 415 S.E.2d 427 (Ct. App. 1992).

The Appellant has the burden of presenting a record that the issues on appeal were raised below and were ruled upon by the lower court. *Zaman v. S.C. State Bd. of Medical Examiners*, 305 S.C. 281, 408 S.E.2d 213 (1991). The Appellant has the burden of presenting a sufficient record for review. *Broom v. Southeastern Highway Consulting Co.*, 291 S.C. 93, 352 S.E.2d 302 (Ct. App. 1986).

In South Carolina, the nature of the action is either one of law or in equity and dictates the standard of appellate review. Determining whether an action is one at law or in equity is accomplished by discerning the main purpose of the suit. *Baughman v. Am. Tel. & Tel. Co.*, 298 S.C. 127, 378 S.E.2d 599 (1989); *Ins. Fin. Servs., Inc. v. S.C. Ins. Co.*, 271 S.C. 289, 247 S.E.2d 315 (1978). The main purpose rule evolves from a determination that where a plaintiff has prayed for money damages in addition to equitable relief, characterization of the action as equitable or



legal, depends on the plaintiff's main purpose in bringing the action. *Verenes v. Alvanos*, 387 S.C. 11, 690 S.E.2d 771 (2010); *Floyd v. Floyd*, 306 S.C. 376, 412 S.E.2d 397 (1991). In most cases, the main purpose can be ascertained from the body of the Complaint. *Ins. Fin. Servs., Inc. v. S.C. Ins. Co.*, 271 S.C. 289, 247 S.E.2d 315 (1978).

In the instant case, the action is equitable, having been brought pursuant to S.C. Code Ann. § 27-31-210(a) of the Horizontal Property Act to foreclose a lien for condominium common expenses which are to be foreclosed in like manner as a mortgage on real property. *Bryn v. Walter*, 275 S.C. 83, 267 S.E.2d 601 (1980).

An action for foreclosure and sale is in equity and is normally conducted by the Master under Rules 53 and 71 SCRPC. Because they are equitable actions, the Appellate Court may review the findings of fact from its own view of the preponderance of evidence and the procedural rulings from an abuse of discretion.

Whether a party is entitled to a jury trial is a question of law. *Verenes v. Alvanos*, 387 S.C. 11, 15, 690 S.E.2d 771, 772 (2010). "An appellate court may decide questions of law with no particular deference." *Id.* at 15, 690 S.E. 2d at 772-773 (citing *In re Campbell*, 379 S.C. 593, 599, 666 S.E. 2d 09, 911 (2008)).

This scope of review does not abrogate a longstanding principle recognized by South Carolina's Appellate Courts that during the *de novo* review process appellant has the burden of showing the Appellate Court that a preponderance of the evidence is against the trial judge's findings. *Pee Dee Health Care, P.A. v. Estate of Thompson*, 424 S.C. 520, 818 S.E. 2d 758 (2018), *Stoney v. Stoney*, 422 S.C. 593, 813 S.E. 2d 46 (2018).

A handwritten signature in black ink, appearing to be the initials 'TW' followed by a stylized flourish.

ARGUMENT

Respondent respectfully requests this Court affirm the Order granting its Motion for Order of Reference as the main purpose of the Complaint is to foreclose the condominium common expense lien and any legal counterclaims and prospective legal third-party claims alleged by Appellants are permissive.

- I. A party in a condominium common expense lien foreclosure action that is named as a Defendant due to the acceptance of a deed of conveyance to the condominium and an obligation arising under the Master Deed for the Horizontal Property Regime and the Horizontal Property Act is not entitled to a jury trial on the condominium association's causes of action alleged in the Complaint for the foreclosure and sale of a condominium common expense lien and any residue of the condominium lien indebtedness remaining after the judicial sale of the condominium.

When determining whether a defendant has a right to a jury trial on a cause of action alleged in the Complaint, the relevant question “is whether an action is legal or equitable; there is no right to trial by jury for equitable actions.” *Verenes* at 15, 690 S.E. 2d at 773 (citing *Lester v. Dawson*, 327 S.C. 263, 267, 491 S.E.2d 240, 242 (1997)). The main purpose of the plaintiff bringing an action determines whether the causes of action alleged in the complaint are equitable or legal. *Id.* at 16, 690 S.E.2d at 773. “The main purpose of the action should generally be ascertained from the body of the complaint.” *Id.*

The common expense lien against Penthouse No. 32 of Grand Strand Resorts III Horizontal Property Regime, which is the subject of the foreclosure action set forth in the Complaint, arises *in rem* pursuant to § 27-31-210(a) of the South Carolina Code of Laws, as well as the Master Deed and By-Laws for the Horizontal Property Regime, including, without limitation, Article 9(i) thereof. (Deed Book 1243 at Page 427, Horry County Records). The *in personam* obligations of the individual property condominium owners for purposes of a deficiency judgment arises pursuant to § 27-31-190 of the South Carolina Code of Laws, as well as the Master Deed and By-



Laws for the Horizontal Property Regime, including, without limitation, Article 9(g) thereof. (Deed Book 1243 at Page 427, Horry County Records). Section 27-31-190 specifies that the co-owners of the apartments are bound to contribute pro rata in the percentages computed according to Section 27-31-60 toward the expenses of administration and of maintenance and repair of the general common elements and, in the proper case, of the limited common elements of the property and toward any other expense lawfully agreed upon. The Mater Deed and By-Laws for the Horizontal Property Regime recognize the personal liability of the co-owner or co-owners of each apartment for the payment of all assessments which may be levied by the Association while such party or parties are co-owner or co-owners of an apartment in the Regime. Section 27-31-210(a) specifies that the lien may be foreclosed by suit in like manner as a mortgage on real property. The By-Laws for the Horizontal Property Regime recognize the foreclosure methodology in Article 9(i).

Section 27-31-210(a) of the South Carolina Code of Laws specifies that a common expense lien may be foreclosed by suit in like manner as a mortgage on real property. “An action for the foreclosure of a real estate mortgage is one in equity.” *Collier v. Green*, 244 S.C. 367, 370, 137 S.E. 2d 277, 279 (1964) (citing *Carsten v. Wilson*, 241 S.C. 516, 129 S.E. 2d 431 (1963)). Because a foreclosure action is one sounding in equity, a party is not entitled, as a matter of right, to a jury trial. *Wachovia Bank, Nat. Ass’n v. Blackburn*, 407 S.C. 321, 755 S.E.2d 437 (2014). The By-Laws for the HOA provide that the Association may proceed to enforce and collect the *pro rata* common expense against the apartment co-owner owing the same in any manner provided by the Horizontal Property Act including the right of foreclosure and sale. (By-Laws, Article 9(f)). The South Carolina Supreme Court has interpreted S.C. Code Ann. § 27-31-210(a) to necessitate treatment of condominium common expense lien foreclosure as actions in equity. *Dockside*



Association, Inc. v. Detyens, 294 S.C. 86, 362 S.E.2d 847 (S.C. LEXIS 348 (1987)).

The power to render a deficiency judgment is included within the jurisdiction of courts of equity. The case of *Perpetual Bldg. & Loan Ass'n of Anderson v. Braun*, 270 S.C. 338, 242 S.E.2d 407 (1978) recognizes that a deficiency judgment is incidental to the relief sought in a foreclosure action. The court's *in personam* jurisdiction to enter a deficiency judgment does not alter the equitable character of the foreclosure action. The Appellants are joined as parties to this foreclosure action for the purpose of collecting a deficiency should one be adjudged. Said inclusion does not alter the equitable character of the action. The liability of Appellants as defendant property owners arose as a result of their acceptance of their respective deeds of conveyance. *Carolina First Bank v. BADD, LLC*, 414 S.C. 289, 778 S.E.2d 106, 2015 S.C. LEXIS 45 (2015).

Respondent commenced this action against Appellants as property owners of the condominium apartment during the time periods in which Respondent alleges that the common expenses were incurred and became the obligation of the condominium apartment and its respective owners. In its Complaint, Respondent seeks judgment against said defendant property owners for the amounts found to be due for the *pro rata* common expenses incurred for the maintenance and operation of the Horizontal Property Regime during their respective periods of ownership. The Complaint clearly seeks the foreclosure of the common expense lien while reserving the right to demand a deficiency judgment against the defendant property owners. Therefore, the Complaint cannot be construed to constitute a breach of contract action which might be considered an action at law to be tried by a jury.



II. The Circuit Court was correct when it found that one or more of the Counterclaims against Respondent were permissive when liability under the Master Deed for pro rata common expenses arose under the Master Deed for the Horizontal Property Regime and the Horizontal Property Act at the time of the acceptance by the Appellants of each of their respective deeds of conveyance.

A defendant waives the right to a jury trial as to a legal and permissive counterclaim asserted against the plaintiff when the complaint is an equitable action against that defendant. *Johnson v. South Carolina Nat'l Bank*, 292 S.C. 51, 56, 354 S.E.2d 895, 897 (1987). To resolve the issue of whether a party waives the right to a jury trial by asserting a counterclaim in an equitable action, the Court must determine whether the counterclaim is legal and compulsory. See, *North Carolina Federal S & L v. DAV Corp.*, 298 S.C. 514, 381 S.E.2d 903 (1989).

The counterclaim for an accounting is not legal but rather equitable. An accounting is in equity to allow for the adjudication of detailed and complicated accounts which would not be practical for determination by a jury. *Rogers v. Salisbury Brick Corp.*, 299 S.C. 141, 382 S.E.2d 915 (1989). As such, said counterclaim is not one at law for which a jury trial would be required.

A counterclaim is compulsory only if it arises out of the same transaction or occurrence as the opposing party's claim. *North Carolina Federal S&L* at 517, 381 S.E.2d at 905. The South Carolina Supreme Court applies the logical relationship test to determine whether a counterclaim is compulsory. See, Id. at 518, 381 S.E.2d at 905.

The property owners' counterclaims or defenses asserting: (i) failure on the part of the HOA to provide notice of meeting and notice of the change of any fees or assessments; and (ii) failure to follow the formal requirements of corporations in South Carolina allege failures on the part of the HOA arising subsequent to the incurring of the obligation to pay pro rata common expenses by the Appellants. Said obligation (the transaction or occurrence) was incurred by the Appellants by the acceptance of their respective deeds of conveyance. The alleged failures on the



part of the HOA set forth in the property owners' counterclaims arose subsequent to the incurring of the obligations and, therefore, do not arise out of that transaction or occurrence, thus not passing the logical relationship test established under *Carolina First Bank v. BADD, LLC.*, finding civil conspiracy counterclaim permissive, *id.* at 109 (citing *N.C. Fed. Sav & Loan Ass'n*, 298 S.C. at 518, 381 S.E.2d at 905; *Advance Int'l Inc. v. N.C. Nat'l Bank of S.C.*, 316 S.C. 266, 449 S.E.23 580 (Ct. App 1984)). The assertion that the HOA failed to provide notice of meetings and notice of changes of fees or assessments is permissive as it does not arise out of the same transaction or occurrence as the agreement by the property owners to be responsible for their pro rata share of common expenses by their acceptance of their respective deeds of conveyance. Furthermore, said assertion does not render the statutory provisions of the Horizontal Property Act and the provisions of the Master Deed establishing the common expense lien and providing the remedy of foreclosure and sale unenforceable.

III. A Defendant who asserts the possibility of a third-party claim involving an action at law waives any right to a jury trial on any legal third-party claim in a foreclosure action when the main purpose of the Complaint is an equitable action to foreclose a common expense lien arising under the Master Deed.

All third-party claims are deemed permissive. *Tatnall v. Gardner*, 350 S.C. 135, 137, 564 S.E.2d 377, 378 (Ct. App. 2002); *see also DAV Corp.*, at 519, 381 S.E.2d at 906.

There is no evidence that the prospective third-party defendant Renee M. Paige was a party to the Master Deed and By-Laws setting up the horizontal property regime nor a party to the documents of conveyance conveying the real property into the defendant property owners. In fact, the documents themselves establish that the Master Deed was submitted by the declarant Grand Strand Resort and Development, Inc. through Phil Pate, its President, with the signature page appearing in Deed Book 1243 at Page 390, Horry County Records. (Master Deed, pp. 24). The



original By-Laws were submitted by Grand Strand Resort III Homeowners Association, Inc. by Phil Pate, its signatory, appearing in Deed Book 1243 at Page 431, Horry County Records. (By-Law, pp. 18). The prospective third-party causes of action allege conduct which is alleged to have occurred after the transaction or occurrence which establishes liability for pro rata common expenses for the horizontal property regime. Appellants have the option to assert said third-party claim in a separate proceeding if they do not wish to waive their right to a jury trial in this condominium pro rata common expense foreclosure action as those third-party claims do not affect the enforceability of the provisions of the of the Horizontal Property Act and the Master Deed and By-Laws establishing pro rata common expenses for each of the condominium apartments in the regime and providing the methodology for foreclosure of the common expense lien. Therefore, the prospective third-party causes of action alleged by Appellants are permissive and do not entitle them to a jury trial in this condominium pro rata common expense foreclosure action.

IV. An Appellant is not entitled, at the Appellate Court level, to argue issues not raised and/or facts not admitted into evidence in the lower court.

Rule 210(c), SCACR, provides that the record on appeal shall not include matters which were not presented to the lower court. The brief shall contain references only to materials properly included in the record on appeal. Rule 208(b)(4), SCACR.

A party may not use a post-trial motion to raise an issue that could have been raised at trial. *Patterson v. Reid*, 318 S.C. 183, 456 S.E.2d 436 (Ct. App. 1995); see *Kiawah Prop. Owners Grp., Inc. v. Pub. Serv. Comm'n of S.C.*, 359 S.C. 105, 597 S.E.2d 145 (2004), finding issue was not properly preserved for appellate review where party raised the argument for the first time in its petition for rehearing. The facts set forth in an exception will not be considered on appeal unless supported in the transcripts of record. *Greenville Memorial Auditorium v. Martin*, 301 S.C. 242, 391 S.E.2d 546 (1990).

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The Appellants have chosen not to include in their designation of matter the transcript of the October 11, 2021 hearing before the lower court. Any question not directly addressed in said Order, unless raised in the Appellants' motion for reconsideration, is not preserved for review. The Appellate Court does not address issues where there is no record of what, if anything, Appellants requested, whether it was refused, and if so, why.

Where a question is not directly addressed in an Order and is not raised in the motion for reconsideration, the question is not preserved for review. The failure to arrange for a transcript to be filed in the Appellate Court may result in dismissal of the appeal. *Laser Supply & Servs. v. Orchard Park Assocs.*, 382 S.C. 326, 676 S.E.2d 139 (2009) (noting the court's dismissal of an appeal for failure to comply with Rule 207 SCACR).

Pursuant to Rules 209 and 210, SCACR, and the case law of the State of South Carolina, Respondent HOA has simultaneously herewith moved this Court for an Order striking certain portions of Appellants' Initial Brief and Designation of Matter. Respondent would refer to said Motion to Exclude Matter for its position that the Appellants are not entitled to argue the referenced issues not raised and/or the referenced facts not admitted into evidence in the lower court. Said Respondent's Motion to Exclude Matter, including caselaw and other cited authorities, is incorporated by referenced as fully as if repeated verbatim herein. The matters referenced in the Respondent's Motion to Exclude Matter cannot be argued by the Appellants at the Appellate Court level for the reasons set forth in the Respondent's Motion to Exclude Matter.

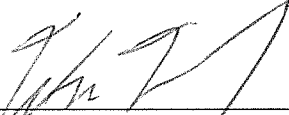
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CONCLUSION

Respondent's common expense foreclosure and sale action is a codified remedy created by the legislature and specified under the Master Deed and By-Laws creating the Horizontal Property Regime. The legislative intent set forth in S.C. Code Ann. § 27-31-210(a) indicates that an action seeking the foreclosure of a common expense lien and sale of the condominium unit as an incident to the foreclosure does not constitute a separate breach of contract action. The Appellants may not evade the intent of the legislature and obtain the right to a jury trial in the present condominium common expense foreclosure and sale action by alleging that Respondent's election to seek a remedy authorized under the Master Deed and By-Laws creating the horizontal property regime and the statutory, legislative, and case law of this State creates a jury issue. The counterclaims asserted against Respondent are permissive counterclaims as they arose after the time of the Appellants' acceptance of their respective deeds of conveyance. As third-party claims asserted in a legal proceeding are always permissive, the lower court was correct when it found that Appellants were not entitled to a jury trial in this condominium common expense foreclosure and sale action and granted Respondent's motion for an Order of Reference.

Respectfully submitted,

DESCHAMPS LAW FIRM



William W. DesChamps, Jr.
(SC Bar No. 1658)
1357 21st Avenue North, Suite 102
Myrtle Beach, South Carolina 29577
(843) 448-2391
Attorney for Respondent
wwd@deschampsfirm.com

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