THE STATE OF SOUTH CAROLINA
In The Court of Appeals

Appeal from Charleston County
Court of Common Pleas

Roger M. Young, Sr., Circuit Court Judge

Appellate Case No. 2023-001212

William Haynes as Personal Representative of the Estate of Elizabeth Varner, Appellant,

v.

THI of Charleston LLC d/b/a Riverside Health and Rehab, Fundamental Services LLC, Fundamental Clinical and Operational Services LLC, and Jerrolyn Montgomery-Smalls, Respondents.

PETITION FOR REHEARING

PINKSTON LAW FIRM, LLC
Shawn Pinkston, SC Bar No. 79965
856 Lowcountry Blvd., Suite 101
Mount Pleasant, South Carolina 29464
Office: 843-814-5472

Attorney for Appellant

Pursuant to Rule 221(a), SCACR, Appellant William Haynes, as Personal Representative for the Estate of Elizabeth Varner, petitions the Court for rehearing and reconsideration of an Order dismissing the Notice of Appeal filed on August 8, 2023.

BACKGROUND

Mrs. Varner was admitted to Riverside Nursing and Rehab ("Riverside") on May 20, 2019. As part of her admission, Kimberly Haynes, Mrs. Varner's daughter-in-law, was presented with and signed an Arbitration Agreement. See Exhibit A. This Arbitration Agreement is at the center of this instant Appeal. The Arbitration Agreement specifically states, "[T]he enforcement of this Arbitration Agreement is not subject to the South Carolina Uniform Arbitration Act and shall be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any contrary provision of this Agreement or contrary to state law." Id.

Appellant filed lawsuits against Respondent THI d/b/a Riverside Health and Rehab on March 25, 2021, and against Respondents Fundamental Services LLC, Fundamental Clinical and Operational Services LLC, and Jerrolyn Montgomery-Smalls on June 11, 2021. See Exhibits B and C. The lawsuits alleged, inter alia, negligence by Riverside staff in causing personal injury to Mrs. Varner that resulted in her wrongful death. Respondents Riverside and Jerrolyn Montgomery-Smalls jointly filed motions to compel arbitration under the Federal Arbitration Act regarding the allegations against them. See Exhibits D and E. Fundamental Services LLC and Fundamental Clinical and Operational Services LLC contemporaneously filed motions to stay proceedings against them. See Exhibits F and G.

The Motions were heard by the Honorable Judge Roger Young, Sr., on February 10, 2022. Judge Young entered an Order Granting Motions to Compel Arbitration and Related Motions to Stay ("Order") on February 24, 2022. See Exhibit H. In his Order, Judge Young specifically ruled

the Arbitration Agreement is governed by the FAA. Id. Appellant filed a Motion for Reconsideration, which was denied by Judge Young. See Exhibit I. The court-ordered arbitration was conducted April 3-6, 2023, and the court-ordered arbitrator issued his Final Order on May 18, 2023. The arbitrator filed Proof of ADR with the Charleston County Clerk of Court on May 22, 2023. See Exhibit J.

Appellant filed a Notice of Appeal on June 8, 2023, regarding the Order Granting THI of Charleston LLC d/b/a Riverside Health and Rehab and Jerrolyn Montgomery-Smalls' Motions to Compel Arbitration and Granting Fundamental Services LLC and Fundamental Clinical and Operational Services LLC's Motions to Stay filed February 22, 2022; and Denying Plaintiff's Motion to Reconsider and Affirming its previous Order Granting Defendants' Motion to Dismiss and Compel Arbitration filed March 23, 2022.

The Court issued an Order dismissing Appellant's Appeal on August 8, 2023. See Exhibit K. The Court specifically held the orders granting Respondent's motions to compel and stay proceedings were not appealable pursuant to the terms of S.C. Code Ann. § 15-48-200.

ARGUMENT

1. S.C. Code Ann. § 15-48-200 is not applicable based on the express terms of the Arbitration Agreement and the Order Granting Motions to Compel and Stay Proceedings.

The Court erroneously applied the provisions of the South Carolina Uniform Arbitration Act ("SCUAA") in dismissing Appellant's appeal. The express terms of the Arbitration Agreement state the SCUAA does not apply. See Exhibit A. In compelling arbitration, the Order expressly stated:

> The Arbitration Agreement is governed by the FAA, not South Carolina's Uniform Arbitration Act, S.C. Code Ann. §§ 15-48-10 to -240 (the "SCAA"). For one reason, the Arbitration Agreement expressly states that the FAA applies[.]

See Exhibit H, Sec. 2, p.5.

The Court's reliance on the SCUAA, specifically Section 15-48-200, is misplaced and clearly erroneous based on the express terms of the SCUAA and the Order.

2. The Court's reliance on the SCUAA violates the express statement of the South Carolina Legislature as the SCUAA does not apply to claims of personal injury.

The Court's reliance on the SCUAA not only overlooks the express terms of the Arbitration Agreement and the Order, the Court's application of the SCUAA to a personal injury action in a nursing home case violates the express statement of the South Carolina General Assembly. S.C. Code Ann. § 15-48-10(b)(4) states, "This chapter . . . shall not apply to...[a]ny claim arising out of personal injury...."

The SCUAA does not apply to claims arising out of personal injury. As Mrs. Varner's lawsuits complain of negligence resulting in personal injury and wrongful death, the Court's dismissal of the Appeal based on the SCUAA is a clear misapplication of the law.

CONCLUSION

For the reasons stated above, Appellant respectfully requests the Court grant this Petition for Rehearing.

Respectfully submitted,

PINKSTON LAW FIRM, LLC

/s/ Shawn Pinkston
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Attorney for Appellant

Mount Pleasant, South Carolina
Dated: August 22, 2023

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Attorney for Respondents
THI of Charleston LLC d/b/a Riverside Health and Rehab, Fundamental Services LLC, Fundamental Clinical and Operational Services LLC, and Jerrolyn Montgomery-Smalls

FACILITY - RESIDENT/REPRESENTATIVE ARBITRATION AGREEMENT

This Agreement is made between Riverside Health and Rehab ("Facility"), its agents, employees and servants, and Dear Sir or Madam, ("Resident") or _____ ("Resident's Durable Power of Attorney for Health Care"/"Resident's Legal Guardian"/"Resident's Responsible Party" hereinafter collectively "Representative"). It is the intention of the parties to this Agreement to bind not only themselves, but also their successors, assigns, heirs, personal representatives, guardians or any persons deriving their claims through or on behalf of Resident.

It is understood by Resident/Representative that he/she is not required to use the aforesaid Facility for Resident's healthcare needs and that there are numerous other health care providers in the State where Facility is located that are qualified to provide such care to Resident.

It is further understood that in the event of any controversy or dispute between the parties arising out of or relating to Facility's Admission Agreement, or breach thereof, or relating in any way to Resident's stay at Facility, or to the provisions of care or services to Resident, including but not limited to any alleged tort, personal injury, negligence or other claim; or any federal or state statutory or regulatory claim of any kind; or whether or not there has been a violation of any right or rights granted under State law (collectively "Disputes"), and the parties are unable to resolve such through negotiation, then the parties agree that such Dispute(s) shall be resolved by arbitration, as provided by the South Carolina Alternate Dispute Resolution/Mediation Rules.

The parties shall select an arbitrator from a panel having experience and knowledge of the health care industry. If the parties cannot reach a mutual decision on the selection of an arbitrator, the parties agree that an arbitrator shall be selected by the Court. The arbitrator shall hear and decide the controversy, and the decision shall be binding on all parties, and may be enforced by a court of competent jurisdiction.

The parties acknowledge and agree that, because the services and reimbursement thereof effects a transaction that involves interstate commerce, the enforcement of this Arbitration Agreement is not subject to the South Carolina Uniform Arbitration Act and shall be governed by the Federal Arbitration Act (Title 9 of the United States Code), notwithstanding any contrary provision of this Agreement or contrary state law.

I understand and agree that I am giving up and waiving my right to a jury trial.

This Agreement shall remain in effect for all care rendered at Facility and shall survive any termination or breach of this Agreement or the Admission Agreement. By his/her signature below, the executing party represents that he/she has the authority to sign on Resident's behalf so as to bind the Resident as well as the Representative.

Kim Haynes 9/20/19
Resident/Representative Signature Date

Kim Haynes
Printed Name of Resident/Representative

Chandra Bryan
Authorized Agent of Facility Date

Riverside Health & Rehab
printed name of facility

Original: Business File • Photocopy: Resident/Representative

Exhibit A

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF CHARLESTON	)	CIVIL ACTION NO.: 2020 – CP - _____
	)	
Williams Haynes, as Personal Representative of the Estate of Elizabeth Varner,	)	COMPLAINT
	)	
	)	JURY TRIAL DEMANDED
Plaintiff,	)	
v.	)	
	)	
THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab,	)	
	)	
Defendant.	)	

COMES NOW William Haynes, as Personal Representative of the Estate of Elizabeth Varner ("Plaintiff), by and through undersigned counsel, and states as follows:

1. Williams Haynes, as the Personal Representative of the Estate of Elizabeth Varner, is a resident of the County of Berkeley, State of South Carolina.

2. Based on information and belief, Defendant THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab, ("Defendant"), is a corporation organized and existing under the laws of the State of Delaware and at all times relevant herein, conducted business in Charleston County through its agents, contractors, and employees for the purpose of carrying on its business as a healthcare facility and providing medical care to its patients through its agents and employees.

3. The parties engaged in mandatory presuit mediation on October 8, 2020, which resulted in an impasse.

4. On or about October 6, 2019, Elizabeth Varner was a resident at Defendant's facility.

5. During the afternoon of October 6, 2019, Elizabeth Varner was transferred to the Medical University of South Carolina ("MUSC") with chief complaints of a right knee fracture. The

Exhibit B

admission records note, "pt coming from riverside with right knee fracture. EMS was not served with XR; per EMS no one at the facility can say what happened. Pt is saying someone fell on her her and that it happened last week; facility reported to EMS that they don't know when this happen [sic]."

6. The medical records also note, "Elizabeth Varner is a 76 y.o. female, who presents with right knee pain. She injured her lower extremity one week ago. She reports a nurse at the nursing home she lives at fell on her leg. She felt immediate onset of pain but reports no XRs were taken until today...She points to her knee as the place that is most sensitive to pressure."

7. Upon examination by medical providers at MUSC, Elizabeth Varner's right knee had "obvious swelling, tenderness palpation diffusely, limited passive range of motion...." An x-ray of her right femur find an "oblique distal fracture metadiaphyseal fracture with no one half shaft's width of posterior displacement of the distal fracture fragment." An x-ray of her right knee noted the same fracture with "no significant degenerative changes. Soft tissue swelling about the knee." She was discharged on October 6, 2019, with plans to follow up with the orthopedic clinic.

8. Elizabeth Varner was seen by the MUSC Orthopedic Department on October 10, 2019, and "due to continued pain, the decision was made to admit the patient to the hospital for surgery and postoperative evaluation."

9. Elizabeth Varner underwent surgery on October 11, 2019, in which the surgeons inserted a 10mm femoral nail into the right femur. She was discharged from MUSC on October 14, 2019.

10. On October 27, 2019, Elizabeth Varner was transferred from Defendant's facility to MUSC via EMS. The medical records from MUSC notes Plaintiff arrived at approximately 6:57

am with the following HPI, "Per EMS patient was found unresponsive at the nursing facility approximately 12 PM last night and was placed on supplemental oxygen due to pulse ox being in the 70s. Nursing staff waited 2hrs after placing the pt on supplemental oxygen before calling EMS. On arrival to the ER patient was hypotensive 40s/30s, cold t the touch, unresponsive and no pulses were palpable....The pt was hypotensive thus sepsis protocol initiated."

11. Elizabeth Varner suffered cardiac arrest while at MUSC and eventually passed away on October 29, 2019. The Immediate Cause of Death was listed as: Shock, Acute Renal Failure, and Hypoxic Respiratory Failure. Her femur fracture was listed as a significant condition contributing to her death.

12. Elizabeth Varner's Death Certification listed the following causes of death: Acute Respiratory Failure, Acute Renal Failure, Pulseless Electrical Activity Arrest Secondary to Septic Shock.

FIRST CAUSE OF ACTION
(Medical Malpractice, Negligence, Gross Negligence)

13. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

14. The care providers at Riverside Health and Rehab violated the standard of care in the following ways:

- Failing to take proper precautions to prevent injury to Elizabeth Varner and by failing to protect Elizabeth Varner from injury;
- Failing to investigate the cause of an unknown bone fracture;
- Failing to notify the appropriate regulatory agency following serious incidents, to include fractured bones;
- Failing to timely call EMS and timely transfer Plaintiff to a hospital after a change in condition;

- Failing to have the appropriate number of staff to meet the acuity needs of Plaintiff; and
- Other failures of the applicable standard of care that may be discovered through the course of this lawsuit.

15. The Affidavit of Plaintiff's expert specifying at least one negligent act or omission is attached as Exhibit "A" with said expert being Suzanne Frederick, MSN, RN-BC, CWCN.

16. As a direct and proximate result of Defendant's negligence, negligence per se, gross negligence, recklessness, willfulness and wantonness, Plaintiff suffered injuries, including, but not limited to, substantial physical and mental pain and suffering, mental anguish, mental shock and suffering, and wounded feelings.

SECOND CAUSE OF ACTION
(Neglect of a Vulnerable Adult)

17. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

18. According to the South Carolina Adult Protection Act, at all times relevant hereto Plaintiff Elizabeth Varner was considered a vulnerable adult.

19. According to the South Carolina Adult Protection Act, Neglect means the failure or omission of a caregiver to provide the care, goods, or services necessary to maintain the health and safety of a vulnerable adult including, but not limited to, food, clothing, medicine, shelter, supervision, and medical services and the failure or omission has caused, or presents a substantial risk of causing, physical or mental injury to the vulnerable adult.

20. Defendant failed to provide care to Plaintiff Elizabeth Varner by causing trauma to Plaintiff's leg, which resulted in an oblique distal fracture metadiaphyseal fracture to the right leg with no one half shaft's width of posterior displacement of the distal fracture fragment.

21. Defendant failed to timely identify that Elizabeth Varner was suffering from a fracture in her right leg.

22. Defendant failed to provide care and medical services to Elizabeth Varner by not transferring her to the hospital in a timely manner after a change of condition.

23. Elizabeth Varner trusted in, confided in and relied upon Defendant to use their expertise and discretion for Plaintiff's care.

24. Defendants accepted Elizabeth Varner's trust and reliance and so became responsible for Elizabeth Varner's health while residing at the nursing home facility.

25. As a result of aforementioned reliance and trust upon Defendant, Elizabeth Varner's physical, mental and emotional health was placed in the hands of Defendant.

26. Defendant received compensation for the care and treatment they were responsible for providing to Elizabeth Varner during her residency but did not provide that care and treatment.

27. As a direct and proximate result of Defendant's negligence, negligence per se, gross negligence, recklessness, willfulness and wantonness, Plaintiff suffered injuries, including, but not limited to, substantial physical and mental pain and suffering, mental anguish, mental shock and suffering, and wounded feelings.

THIRD CAUSE OF ACTION
(Wrongful Death)

28. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

29. That as a direct and proximate result of Defendants negligent, willful, wanton, reckless, careless and grossly negligent conduct, by and through their agents, servants, and employees, Elizabeth Varner was severely injured in Defendant's facility.

30. The injuries so inflicted on Elizbeth Varner were the cause of Elizabeth Varner's wrongful death on October 29, 2019.

FOURTH CAUSE OF ACTION
(Survival Action)

31. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

32. As a direct and proximate cause of Defendant's negligence, willful, reckless and/or grossly negligent actions and inactions, Elizabeth Varner suffered:

- Excruciating pain;
- Prolonged extreme suffering;
- Acute emotional distress;
- Fear and anxiety;
- Medical bills;
- Mental anguish;
- Loss of enjoyment of life; and
- The agony of death.

33. As a direct and proximate cause of Defendant's negligence, willful, reckless and/or grossly negligent actions and inactions, Elizabeth Varner's heirs suffered:

- Loss of companionship;
- Emotional trauma;
- Loss of comfort and support;
- Psychological and emotional distress;
- Loss of enjoyment of life; and
- Loss of their Mother.

WHEREFORE, Plaintiff demands judgment against Defendant for actual and punitive damages, for the cost of this action, and for other such relief the Court deems just, equitable, and proper.

PINKSTON LAW FIRM, LLC

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shawnpinkston@me.com

Date: March 25, 2021
Mount Pleasant, South Carolina

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF CHARLESTON	)	CIVIL ACTION NO.: 2021CP-
	)	
Williams Haynes, as Personal Representative of the Estate of Elizabeth Varner,	)	**COMPLAINT**
	)	**JURY TRIAL DEMANDED**
Plaintiff,	)	
v.	)	
	)	
Fundamental Administrative Services LLC, And Fundamental Clinical and Operational Services, LLC, and Jerrolyn Montgomery-Smalls	)	
	)	
Defendants.	)	

COMES NOW William Haynes, as Personal Representative of the Estate of Elizabeth Varner ("Plaintiff), by and through undersigned counsel, and states as follows:

1. Williams Haynes, as the Personal Representative of the Estate of Elizabeth Varner, is a resident of the County of Berkeley, State of South Carolina.

2. Based on information and belief, Defendant Fundamental Administrative Services LLC, ("Defendant FAS"), is a corporation organized and existing under the laws of the State of Delaware and at all times relevant herein, conducted business in Charleston County through its agents, contractors, and employees for the purpose of carrying on its business as a healthcare facility and providing medical care to its patients through its agents and employees at THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab ("Riverside"), located in North Charleston, South Carolina.

3. Based on information and belief, Defendant Fundamental Clinical and Operational Services LLC, ("Defendant FCOS"), is a corporation organized and existing under the laws of the State of Delaware and at all times relevant herein, conducted business in Charleston County through its agents, contractors, and employees for the purpose of carrying on its business as a

Exhibit C

healthcare facility and providing medical care to its patients through its agents and employees at Riverside, located in North Charleston, South Carolina.

4. Based on information and belief, Defendant Jerrolyn Montgomery-Smalls ("Defendant JMS") is a resident of Charleston County and at all times relevant herein was the Administrator of Riverside Health and Rehab.

5. Plaintiff filed a Notice of Intent and all required attachments pursuant to S.C. Code Ann. § 15-36-100.

6. The parties conducted pre-suit mediation on June 7, 2021, which resulted in an impasse. Venue and subject matter jurisdiction are proper within this Court.

7. Personal jurisdiction is proper in this Court because Defendants are situated in Charleston County and conduct business in Charleston County.

8. Upon information and belief, FCOS has or had common ownership and management with THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab and exerts significant control over the operation of Riverside Health, including the development of policies and procedures, training, and instruction for the staff at Riverside.

9. Upon information and belief, through its individual actions and the acts of its agents, and in concert with the other Defendants, FAS engaged in and exerted control in the oversight, management, direction, and operation of Riverside, including the development of budgets, choosing vendors and consultants, and deciding nurse staffing hours per patient days deriving revenue therefrom.

10. The above-named Defendants are jointly and severally liable for all damages alleged in the Complaint since their neglect, gross negligence, reckless and wanton acts and omissions,

singularly or in combination, are the contributing proximate cause of the Plaintiff's damages, injuries, and losses.

FACTUAL ALLEGATIONS

11. Elizabeth Varner was admitted to Riverside Health and Rehab ("Riverside") on May 20, 2019, and she paid a fee for her care.

12. While a resident at Riverside, Elizabeth Varner required skilled nursing care from the staff at the nursing home as well as assistance with daily living activities.

13. On or about October 6, 2019, Elizabeth Varner was a resident at Defendant's facility.

14. During the afternoon of October 6, 2019, Elizabeth Varner was transferred to the Medical University of South Carolina ("MUSC") with chief complaints of a right knee fracture. The admission records note, "pt coming from riverside with right knee fracture. EMS was not served with XR; per EMS no one at the facility can say what happened. Pt is saying someone fell on her her and that it happened last week; facility reported to EMS that they don't know when this happen [sic]."

15. The medical records also note, "Elizabeth Varner is a 76 y.o. female, who presents with right knee pain. She injured her lower extremity one week ago. She reports a nurse at the nursing home she lives at fell on her leg. She felt immediate onset of pain but reports no XRs were taken until today...She points to her knee as the place that is most sensitive to pressure."

16. Upon examination by medical providers at MUSC, Elizabeth Varner's right knee had "obvious swelling, tenderness palpation diffusely, limited passive range of motion...." An x-ray of her right femur find an "oblique distal fracture metadiaphyseal fracture with no one half shaft's width of posterior displacement of the distal fracture fragment." An x-ray of her right knee noted the same fracture with "no significant degenerative changes. Soft tissue swelling

about the knee." She was discharged on October 6, 2019, with plans to follow up with the orthopedic clinic.

17. Elizabeth Varner was seen by the MUSC Orthopedic Department on October 10, 2019, and "due to continued pain, the decision was made to admit the patient to the hospital for surgery and postoperative evaluation."

18. Elizabeth Varner underwent surgery on October 11, 2019, in which the surgeons inserted a 10mm femoral nail into the right femur. She was discharged from MUSC on October 14, 2019.

19. On October 27, 2019, Elizabeth Varner was transferred from Defendant's facility to MUSC via EMS. The medical records from MUSC notes Plaintiff arrived at approximately 6:57 am with the following HPI, "Per EMS patient was found unresponsive at the nursing facility approximately 12 PM last night and was placed on supplemental oxygen due to pulse ox being in the 70s. Nursing staff waited 2hrs after placing the pt on supplemental oxygen before calling EMS. On arrival to the ER patient was hypotensive 40s/30s, cold t the touch, unresponsive and no pulses were palpable....The pt was hypotensive thus sepsis protocol initiated."

20. Elizabeth Varner suffered cardiac arrest while at MUSC and eventually passed away on October 29, 2019. The Immediate Cause of Death was listed as: Shock, Acute Renal Failure, and Hypoxic Respiratory Failure. Her femur fracture was listed as a significant condition contributing to her death.

21. Elizabeth Varner's Death Certification listed the following causes of death: Acute Respiratory Failure, Acute Renal Failure, Pulseless Electrical Activity Arrest Secondary to Septic Shock.

FIRST CAUSE OF ACTION
(Negligence, Gross Negligence)

22. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

23. The care providers at Riverside Health and Rehab violated the standard of care in the following ways:

- Failing to take proper precautions to prevent injury to Elizabeth Varner and by failing to protect Elizabeth Varner from injury;
- Failing to investigate the cause of an unknown bone fracture;
- Failing to notify the appropriate regulatory agency following serious incidents, to include fractured bones;
- Failing to timely call EMS and timely transfer Plaintiff to a hospital after a change in condition;
- Failing to have the appropriate number of staff to meet the acuity needs of Plaintiff; and
- Other failures of the applicable standard of care that may be discovered through the course of this lawsuit.

24. The Affidavit of Plaintiff's expert specifying at least one negligent act or omission is attached as Exhibit "A" with said expert being Suzanne Frederick, MSN, RN-BC, CWCN.

25. As a direct and proximate result of Defendant's negligence, negligence per se, gross negligence, recklessness, willfulness and wantonness, Plaintiff suffered injuries, including, but not limited to, substantial physical and mental pain and suffering, mental anguish, mental shock and suffering, and wounded feelings.

SECOND CAUSE OF ACTION
(Corporate Negligence)

26. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

27. Based upon information and belief, Defendants operated, managed, and/or provided consulting services to THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab before and during Elizabeth Varner's residency.

27. Defendants had a duty of care to residents to discover, to warn, to prevent risks, to take reasonable safety precautions, to eliminate unreasonable risks, and to provide protection from harm.

28. Riverside was negligently administered and managed by Defendants who were working together to manage and operate the facility.

29. The facility was negligently administered in violation of state and federal laws by Defendants FCOS and FAS, who were working together to govern, administer, control, manage, and operate the facility.

30. Defendants, by and through their agents, servants, and employees, were negligent, willful, wanton, reckless, careless, and grossly negligent and deviated from the expected standards of skill, care, and learning in their treatment of Elizabeth Varner. Specifically, Defendants were negligent in the following ways:

- Failing to provide the care, supervision, and monitoring of patients;
- Failing to take proper precautions to prevent injury to Elizabeth Varner and by failing to protect Elizabeth Varner from injury;
- Failing to investigate the cause of an unknown bone fracture;
- Failing to notify the appropriate regulatory agency following serious incidents, to include fractured bones;

- Failing to timely call EMS and timely transfer Plaintiff to a hospital after a change in condition;
- Failing to have the appropriate number of staff to meet the acuity needs of Plaintiff; and
- Other failures of the applicable standard of care that may be discovered through the course of this lawsuit.

31. As a result of Defendants' actions and/or non-actions, Elizabeth Varner experienced prolonged conscious pain and suffering, mental anguish, incurred substantial medical bills, and suffered a wrongful death. As a further result, her wrongful death beneficiaries suffered the damages and injuries stated above.

32. The aforesaid wrongful acts were the sole and proximate cause of Elizabeth Varner's injuries and wrongful death.

THIRD CAUSE OF ACTION
(Joint Venture)

33. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

34. That a joint venture is an association of two or more individuals engaged in a solitary business enterprise for profit without actual partnership or incorporation.

35. That elements of joint venture in the State of South Carolina are:

an agreement;

- a joint interest in a common business;
- an understanding that profits and losses will be shared, and;
- a right to joint control.

36. That a joint venture exists when there is:

- contribution of resources by both parties;

- joint proprietorship and control over the subject matter of the property
- engage in the venture;
- sharing of profits by express or implied agreement, and;
- an express or implied contract showing join venture.

37. That Defendants FCOS, FAS, Jerrolyn Montgomery-Smalls, and Riverside were involved in a joint venture.

38. Because of their joint venture, Defendants FCOS and FAS had a joint obligation to sufficiently fund Riverside to ensure that each of their residents received the necessary care and services in order for the residents to attain or maintain the highest practicable physical, mental, and psychosocial well-being, consistent with the residents' comprehensive assessments and plans of care.

39. This joint obligation required Defendants to sufficiently fund Riverside so that there would be enough staff and resources in order to meet the needs of their residents.

40. Riverside was totally dependent on the generosity of Defendants FCOS and FAS in their decision-making process as to whether they would allow them to keep the money they were earning.

41. Defendants negligently failed to fund Riverside so its agents, servants, and employees could provide the necessary skill and care to residents, including Elizabeth Varner.

FOURTH CAUSE OF ACTION
(Alter Ego/Piercing the Corporate Veil)

42. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

43. That, upon information and belief, Riverside was dominated and controlled by Defendants FCOS and FAS before, during, and after Elizabeth Varner's residency. Defendants and its related entities, agents, and managers siphoned profits from the nursing home chain

through self-dealing between the entities, excessively compensated themselves and other executives, and participated in other methods of divesting the licensee entities of needed capital and assets, while allowing the chain to suffer financial losses and provide uniformly poor care across the country as a result of inadequate capitalization and consequently inadequate supplies, resulting in untold numbers of unnecessary injuries, death and suffering, including that of Elizabeth Varner at the Riverside.

FIFTH CAUSE OF ACTION
(Neglect of a Vulnerable Adult)

44. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

45. According to the South Carolina Adult Protection Act, at all times relevant hereto Plaintiff Elizabeth Varner was considered a vulnerable adult.

46. According to the South Carolina Adult Protection Act, neglect means the failure or omission of a caregiver to provide the care, goods, or services necessary to maintain the health and safety of a vulnerable adult including, but not limited to, food, clothing, medicine, shelter, supervision, and medical services and the failure or omission has caused, or presents a substantial risk of causing, physical or mental injury to the vulnerable adult.

47. Defendants failed to provide care to Plaintiff Elizabeth Varner by causing trauma to Plaintiff's leg, which resulted in an oblique distal fracture metadiaphyseal fracture to the right leg with no one half shaft's width of posterior displacement of the distal fracture fragment.

48. Defendants failed to timely identify that Elizabeth Varner was suffering from a fracture in her right leg.

49. Defendants failed to provide care and medical services to Elizabeth Varner by not transferring her to the hospital in a timely manner after a change of condition.

50. Defendants failed to recognize or to act timely when Elizabeth Varner was found unresponsive on October 27, 2019.

51. Elizabeth Varner trusted in, confided in and relied upon Defendant to use their expertise and discretion for Plaintiff's care.

52. Defendants accepted Elizabeth Varner's trust and reliance and so became responsible for Elizabeth Varner's health while residing at the nursing home facility.

53. As a result of aforementioned reliance and trust upon Defendant, Elizabeth Varner's physical, mental and emotional health was placed in the hands of Defendant.

54. Defendant received compensation for the care and treatment they were responsible for providing to Elizabeth Varner during her residency but did not provide that care and treatment.

55. As a direct and proximate result of Defendant's negligence, negligence per se, gross negligence, recklessness, willfulness and wantonness, Plaintiff suffered injuries, including, but not limited to, substantial physical and mental pain and suffering, mental anguish, mental shock and suffering, and wounded feelings.

SIXTH CAUSE OF ACTION
(Wrongful Death)

56. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

57. That as a direct and proximate result of Defendants negligent, willful, wanton, reckless, careless and grossly negligent conduct, by and through their agents, servants, and employees, Elizabeth Varner was severely injured in Defendant's facility.

58. The injuries so inflicted on Elizbeth Varner were the cause of Elizabeth Varner's wrongful death on October 29, 2019.

SEVENTH CAUSE OF ACTION
(Survival Action)

59. Plaintiff incorporates the preceding paragraphs as if repeated verbatim herein.

60. As a direct and proximate cause of Defendants' negligence, willful, reckless and/or grossly negligent actions and inactions, Elizabeth Varner suffered:

- Excruciating pain;
- Prolonged extreme suffering;
- Acute emotional distress;
- Fear and anxiety;
- Medical bills;
- Mental anguish;
- Loss of enjoyment of life; and
- The agony of death.

61. As a direct and proximate cause of Defendants' negligence, willful, reckless and/or grossly negligent actions and inactions, Elizabeth Varner's heirs suffered:

- Loss of companionship;
- Emotional trauma;
- Loss of comfort and support;
- Psychological and emotional distress;
- Loss of enjoyment of life; and
- Loss of their Mother.

WHEREFORE, Plaintiff demands judgment against Defendants for actual and punitive damages, for the cost of this action, and for other such relief the Court deems just, equitable, and proper.

PINKSTON LAW FIRM, LLC

/s/ Shawn Pinkston
Shawn Pinkston, SC Bar No. 79965
856 Lowcountry Blvd., Suite 101
Mount Pleasant, South Carolina 29464
Office: 843-814-5472
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shawnpinkston@me.com

Date: June 11, 2021
Mount Pleasant, South Carolina

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF CHARLESTON	)	NINTH JUDICIAL CIRCUIT
	)	
WILLIAMS HAYNES, AS PERSONAL REPRESENTATIVE OF THE ESTATE OF ELIZABETH VARNER,	)	CASE NO. 2021-CP-10-01437
PLAINTIFF,	)	**DEFENDANT THI OF SOUTH CAROLINA AT CHARLESTON, LLC D/B/A RIVERSIDE HEALTH AND REHAB'S MOTION TO COMPEL ARBITRATION**
vs.	)	
THI OF SOUTH CAROLINA AT CHARLESTON, LLC D/B/A RIVERSIDE HEALTH AND REHAB ,	)	
DEFENDANT.	)	

TO: SHAWN PINKSTON, ESQUIRE, ATTORNEY FOR PLAINTIFF:

PLEASE TAKE NOTICE that the Defendant, THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab (hereinafter referred to as "this Defendant" or "the Facility"), by and through its undersigned attorneys, will move before this Honorable Court, at a time and place to be designated by the Court, and as soon as counsel may be heard, for an Order dismissing this action and compelling arbitration pursuant to the Federal Arbitration Act ("FAA"), 9 U.S.C. § 1, et seq. and Rules 12(b)(1) and 12(b)(6) of the South Carolina Rules of Civil Procedure. This Motion is based on the terms and provisions of a valid and binding Arbitration Agreement executed at the time of Elizabeth Varner's admission to the Facility. (See Arbitration Agreement attached as **Exhibit A**). The Arbitration Agreement is expressly binding on all parties and requires that Plaintiff's claims be submitted to arbitration.

This Defendant further requests that this Honorable Court specifically stay any further requirement to file any responsive pleading as well as any requirement to respo[illegible] or discovery filed or served by Plaintiff while the current motion is pending.

Exhibit D

supported by the attached Arbitration Agreement, the statutory and case law of the State of South Carolina and the United States, any subsequent memoranda of law, affidavits or other evidence which may be submitted prior to the hearing on this motion, as well as any oral argument to be presented by counsel at the hearing on this matter.

CLEMENT RIVERS, LLP

By: */s/ D. Jay Davis, Jr.*
D. Jay Davis, Jr.
SC State Bar ID No.: 12084
Matthew O. Riddle
SC State Bar ID No.: 76650
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Attorneys for the Defendant THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab

Charleston, South Carolina

Dated: October 1, 2021

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF CHARLESTON	)	NINTH JUDICIAL CIRCUIT
	)	
WILLIAMS HAYNES, AS PERSONAL REPRESENTATIVE OF THE ESTATE OF ELIZABETH VARNER,	)	CASE NO. 2021-CP-10-02744
	)	
PLAINTIFF,	)	
	)	
vs.	)	**DEFENDANT JERROLYN MONTGOMERY-SMALLS' MOTION TO COMPEL ARBITRATION**
	)	
FUNDAMENTAL ADMINISTRATIVE SERVICES LLC, AND FUNDAMENTAL CLINICAL AND OPERATIONAL SERVICES, LLC, AND JERROLYN MONTGOMERY-SMALLS,	)	
	)	
DEFENDANTS.	)	

TO: SHAWN PINKSTON, ESQUIRE, ATTORNEY FOR PLAINTIFF:

PLEASE TAKE NOTICE that the Defendant, Jerrolyn Montgomery-Smalls (hereinafter referred to as "this Defendant") by and through her undersigned attorneys, will move before this Honorable Court, at a time and place to be designated by the Court, and as soon as counsel may be heard, for an Order dismissing this action and compelling arbitration pursuant to the Federal Arbitration Act ("FAA"), 9 U.S.C. § 1, et seq. and Rules 12(b)(1) and 12(b)(6) of the South Carolina Rules of Civil Procedure. This Motion is based on the terms and provisions of a valid and binding Arbitration Agreement executed at the time of Elizabeth Varner's admission to the Facility. (See Arbitration Agreement attached as **Exhibit A**). The Arbitration Agreement is expressly binding on all parties and requires that Plaintiff's claims be submitted to arbitration.

This Defendant further requests that this Honorable Court specifically stay any further requirement to file any responsive pleading as well as any requirement to respo[illegible] or discovery filed or served by Plaintiff while the current motion is pending

Exhibit E

supported by the attached Arbitration Agreement, the statutory and case law of the State of South Carolina and the United States, any subsequent memoranda of law, affidavits or other evidence which may be submitted prior to the hearing on this motion, as well as any oral argument to be presented by counsel at the hearing on this matter.

CLEMENT RIVERS, LLP

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Attorneys for the Defendant Jerrolyn Montgomery-Smalls

Charleston, South Carolina

Dated: October 1, 2021

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF CHARLESTON	)	NINTH JUDICIAL CIRCUIT
WILLIAMS HAYNES, AS PERSONAL REPRESENTATIVE OF THE ESTATE OF ELIZABETH VARNER,	)	CASE NO. 2021-CP-10-02744
PLAINTIFF,	)	
vs.	)	**DEFENDANT FUNDAMENTAL CLINICAL AND OPERATIONAL SERVICES, LLC'S MOTION TO STAY ACTION**
FUNDAMENTAL ADMINISTRATIVE SERVICES LLC, AND FUNDAMENTAL CLINICAL AND OPERATIONAL SERVICES, LLC, AND JERROLYN MONTGOMERY-SMALLS,	)	
DEFENDANTS.	)	

TO: SHAWN PINKSTON, ESQUIRE, ATTORNEY FOR PLAINTIFF:

PLEASE TAKE NOTICE that Defendant Fundamental Clinical and Operational Services, LLC ("this Defendant"), by and through its undersigned counsel, will move before this Honorable Court, at a time and place to be designated by the Court, and as soon as counsel may be heard, for an Order staying this action.

Defendant Jerrolyn Montgomery-Smalls has filed a motion in this case to compel Plaintiff's claims to arbitration pursuant to a valid and enforceable Arbitration Agreement entered into at the time of Elizabeth Varner's admission to Riverside Health and Rehab. (See Motion to Compel Arbitration attached hereto as **Exhibit A**).

Additionally, THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab has filed a motion to compel Plaintiff's claims to arbitration based on the same Arbitration Agreement in a separate action pending in Charleston County [illegible] *Haynes, as Personal Representative of the Estate of Elizabeth Varner v. THI o*

Exhibit F

at Charleston, LLC d/b/a Riverside Health and Rehab, 2021-CP-10-01437 (Mar. 25, 2021) (hereinafter the "companion case") involving the same factual allegations and legal issues as the present case. (See THI of South Carolina at Charleston, LLC's Motion to Compel Arbitration, attached hereto as **Exhibit B**). The allegations in the companion case and the instant case arise out of care provided to Ms. Varner while she was a resident at Riverside Health and Rehabilitation and involve common legal and factual issues such that the litigation in the companion case, including the outcome of Riverside Health and Rehab's motion to compel arbitration, will have a direct bearing on these proceedings, including discovery and trial.

As such, this Defendant respectfully requests this Honorable Court stay any requirement to file any further responsive pleadings as well as any requirement to respond to any motions or discovery filed or served by Plaintiff until such time as this Court has made a final decision on the validity of the arbitration agreement at issue in the companion case and the instant case and the appellate process, if any, has been exhausted and the arbitration proceedings, if any, are completed in their entirety.

This Motion will be supported by the pleadings and motions filed in this case and the companion case, all supporting exhibits, the statutory and case law of the State of South Carolina and the United States, any subsequent memoranda of law, affidavits or other evidence which may be submitted prior to hearing on this motion, as well as any oral argument to be presented by counsel at the hearing on this matter.

[Signature block on the following page]

CLEMENT RIVERS, LLP

By: */s/ D. Jay Davis, Jr.*
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Attorneys for the Defendant Fundamental Clinical and Operational Services, LLC

Charleston, South Carolina

Dated: October 4, 2021

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF CHARLESTON	)	NINTH JUDICIAL CIRCUIT
	)	
WILLIAMS HAYNES, AS PERSONAL REPRESENTATIVE OF THE ESTATE OF ELIZABETH VARNER,	)	CASE NO. 2021-CP-10-02744
	)	
PLAINTIFF,	)	
	)	
vs.	)	**DEFENDANT FUNDAMENTAL CLINICAL AND OPERATIONAL SERVICES, LLC'S MOTION TO STAY ACTION**
	)	
FUNDAMENTAL ADMINISTRATIVE SERVICES LLC, AND FUNDAMENTAL CLINICAL AND OPERATIONAL SERVICES, LLC, AND JERROLYN MONTGOMERY-SMALLS,	)	
	)	
DEFENDANTS.	)	

TO: SHAWN PINKSTON, ESQUIRE, ATTORNEY FOR PLAINTIFF:

PLEASE TAKE NOTICE that Defendant Fundamental Clinical and Operational Services, LLC ("this Defendant"), by and through its undersigned counsel, will move before this Honorable Court, at a time and place to be designated by the Court, and as soon as counsel may be heard, for an Order staying this action.

Defendant Jerrolyn Montgomery-Smalls has filed a motion in this case to compel Plaintiff's claims to arbitration pursuant to a valid and enforceable Arbitration Agreement entered into at the time of Elizabeth Varner's admission to Riverside Health and Rehab. (See Motion to Compel Arbitration attached hereto as **Exhibit A**).

Additionally, THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab has filed a motion to compel Plaintiff's claims to arbitration based on the same Arbitration Agreement in a separate action pending in Charleston County *Williams Haynes, as Personal Representative of the Estate of Elizabeth Varner v. THI of*

Exhibit G

at Charleston, LLC d/b/a Riverside Health and Rehab, 2021-CP-10-01437 (Mar. 25, 2021) (hereinafter the "companion case") involving the same factual allegations and legal issues as the present case. (See THI of South Carolina at Charleston, LLC's Motion to Compel Arbitration, attached hereto as **Exhibit B**). The allegations in the companion case and the instant case arise out of care provided to Ms. Varner while she was a resident at Riverside Health and Rehabilitation and involve common legal and factual issues such that the litigation in the companion case, including the outcome of Riverside Health and Rehab's motion to compel arbitration, will have a direct bearing on these proceedings, including discovery and trial.

As such, this Defendant respectfully requests this Honorable Court stay any requirement to file any further responsive pleadings as well as any requirement to respond to any motions or discovery filed or served by Plaintiff until such time as this Court has made a final decision on the validity of the arbitration agreement at issue in the companion case and the instant case and the appellate process, if any, has been exhausted and the arbitration proceedings, if any, are completed in their entirety.

This Motion will be supported by the pleadings and motions filed in this case and the companion case, all supporting exhibits, the statutory and case law of the State of South Carolina and the United States, any subsequent memoranda of law, affidavits or other evidence which may be submitted prior to hearing on this motion, as well as any oral argument to be presented by counsel at the hearing on this matter.

[Signature block on the following page]

CLEMENT RIVERS, LLP

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Attorneys for the Defendant Fundamental Clinical and Operational Services, LLC

Charleston, South Carolina

Dated: October 4, 2021

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON	)	CASES NO. 2021-CP-10-01437 & -02477
WILLIAM HAYNES, as Personal Representative of the Estate of Elizabeth Varner,	)	
Plaintiff,	)	
vs.	)	
THI OF SOUTH CAROLINA AT CHARLESTON, LLC d/b/a Riverside Health and Rehab,	)	
Defendant.	)	**ORDER GRANTING MOTIONS TO COMPEL ARBITRATION AND RELATED MOTIONS TO STAY**
WILLIAM HAYNES, as Personal Representative of the Estate of Elizabeth Varner,	)	
Plaintiff,	)	
vs.	)	
FUNDAMENTAL ADMINISTRATIVE SERVICES, LLC; FUNDAMENTAL CLINICIAL AND OPERATIONAL SERVICES, LLC; and JERROLYN MONTGOMERY-SMALLS,	)	
Defendants.	)	

Exhibit H

This matter is before the Court on four motions (collectively, the "Subject Motions"): one motion in Case 1437[1], namely, the Facility's[2] motion to compel arbitration, and three motions in

[1] "Case 1437" is *Haynes v. THI of South Carolina at Charleston, LLC*, Case No. 2021-CP-10-01437.

[2] The "Facility" is THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab, the defendant in Case 1437.

Case 2477[3], namely, Ms. Montgomery-Smalls'[4] motion to compel arbitration and FAS[5] and FCOS's[6] motions to stay. All of the Subject Motions were filed on October 4, 2021, and they were all heard together on February 10, 2022, with all parties' respective counsel appearing before the Court via WebEx.

Chief among the Subject Motions are the Facility and Ms. Montgomery-Smalls' substantively identical motions to compel arbitration of the claims asserted against them in Case 1437 and Case 2477, respectively (collectively, the "Motions to Compel Arbitration"). Secondary to those motions are the substantively identical motions of FAS and FCOS to stay Case 2477 pending the final outcome of the Motions to Compel Arbitration and the arbitration proceedings they seek to compel (collectively, the "Motions to Stay"). After careful consideration, the Court GRANTS the Subject Motions. Its reasoning is set forth below.

I.

BACKGROUND

The Facility is a skilled nursing facility. With the help of her son and daughter-in-law, William Haynes ("William") and Kim Haynes ("Kim"), respectively, Elizabeth Varner ("Ms. Varner") was admitted as a resident of the Facility on May 20, 2019. Kim handled the paperwork in conjunction with Ms. Varner's admission, which included an Admission Agreement and an Arbitration Agreement that Kim signed on Ms. Varner's behalf.

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[3] "Case 2477" is *Haynes v. Fundamental Administrative Services, LLC*, Case No. 2021-CP-10-02477.

[4] "Ms. Montgomery-Smalls" is Jerrolyn Montgomery-Smalls, one of the defendants in Case 2477.

[5] "FAS" is Fundamental Administrative Services, LLC, one of the defendants in Case 2477.

[6] "FCOS" is Fundamental Clinical and Operational Services, LLC, one of the defendants in Case 2477.

By her signature on the Arbitration Agreement, Kim expressly "represent[ed] that . . . she ha[d] authority to sign on [Ms. Varner's] behalf so as to bind [her] as well as [herself]." And, indeed, pursuant to a Durable Financial Power of Attorney executed March 25, 2018 (the "Power of Attorney"), Kim was Ms. Varner's secondary agent. The Power of Attorney, which was effective "[i]mmediately upon [its] execution" and expressly included the power to "[s]ubmit to alternative dispute resolution," authorized Kim to exercise the powers it conferred to Ms. Varner's primary agent, William, in the event he was "unable or unwilling to serve." According to the affidavits they filed on February 8, 2022, on the day Ms. Varner was admitted to the Facility, Kim and William were initially together with the Facility's representative Chandra Bryant ("Ms. Bryant") in the room that was being assigned to Ms. Varner until Kim went with Ms. Bryant to another location (within the Facility) to sign the paperwork while William stayed behind to await Ms. Varner's arrival.

Plaintiff[7] filed Case 1437 and Case 2477 on March 25, 2021, and June 11, 2021, respectively, asserting claims arising out of alleged deficiencies in Ms. Varner's care/treatment at the Facility. As for the relationship between the subject matter of the two cases, although Plaintiff ended up withdrawing the motion, his motion to consolidate (filed in Case 2477 on August 16, 2021) states that Case 1437 and Case 2477 "concern the same underlying facts and have factual and legal questions in common."

Defendants[8] timely answered the respective lawsuits, subject to and without waiving any right to compel the matter to arbitration, denying the liability Plaintiff alleged and raising a number of affirmative defenses.

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[7] "Plaintiff" is William in his capacity as personal representative of Ms. Varner's estate, who is the plaintiff in both Case 1437 and Case 2477.

[8] "Defendants" are the Facility, FAS, FCOS, and Ms. Montgomery-Smalls, collectively.

Citing the Arbitration Agreement, the Motions to Compel Arbitration ask the Court to compel Plaintiff's claims against the Facility and Ms. Montgomery-Smalls to arbitration. Citing the Motions to Compel Arbitration, the Motions to Stay ask the Court to stay Case 2477 pending the ultimate outcome of the Motions to Compel Arbitration, i.e., until arbitrability is finally determined and any arbitration proceedings resulting from that determination are themselves finally concluded.

II.

ANALYSIS

A. Re: the Motions to Compel Arbitration

The core question here is this: Is the Arbitration Agreement (which Kim signed for Ms. Varner) enforceable against Ms. Varner's estate (i.e., Plaintiff) even though it was not signed by Ms. Varner herself? For two reasons, the Court answers this question in the affirmative: (1) the Arbitration Agreement was properly signed by Kim for Ms. Varner pursuant to Kim's authority under the Power of Attorney, and (2) the Arbitration Agreement is enforceable against Plaintiff—or, more precisely, Plaintiff is estopped to deny that the Arbitration Agreement is enforceable—by virtue of merger and equitable estoppel. Thus, since Plaintiff's claims against the Facility and Ms. Montgomery-Smalls are clearly within the scope of the Arbitration Agreement, they should proceed in arbitration, not litigation. The Court's findings/analytical steps in reaching this conclusion follow.

1. Both state and federal policy favor arbitration.

There is a "strong South Carolina and federal policy favoring arbitration . . . ." *Doe v. TCSC, LLC*, 430 S.C. 602, 607, 846 S.E.2d 874, 877 (Ct. App. 2020); *see also Parsons v. John Wieland Homes & Neighborhoods of the Carolinas, Inc.*, 418 S.C. 1, 6, 791 S.E.2d 128, 131 (2016) ("The policy of the United States and of South Carolina is to favor arbitration of disputes."). Indeed,

"arbitration agreements are *presumed valid*." *Doe*, 430 S.C. at 607, 846 S.E.2d at 877 (emphasis added).

2. The Arbitration Agreement is governed by the FAA[9].

The Arbitration Agreement is governed by the FAA, not South Carolina's Uniform Arbitration Act, S.C. Code Ann. §§ 15-48-10 to -240 (the "SCAA"). For one reason, the Arbitration Agreement expressly states that the FAA applies:

> The parties acknowledge and agree that, because the services and reimbursement thereof effects a transaction that involves interstate commerce, the enforcement of this Arbitration Agreement is not subject to the South Carolina Uniform Arbitration Act and shall be governed by the [FAA], notwithstanding any contrary provision of this Agreement or contrary state law.

This must be enforced like any other contract term. *Damico v. Lennar Carolinas, LLC*, 430 S.C. 188, 196, 844 S.E.2d 66, 70 (Ct. App. 2020) ("We first consider whether the FAA applies. We hold it does, for two reasons. First, the [subject contract] provides the parties 'specifically agree that this transaction involves interstate commerce.' We must enforce this agreement like any other contract term.") (citing *Munoz v. Green Tree Fin. Corp.*, 343 S.C. 531, 539, 542 S.E.2d 360, 363–64 (2001) (finding the FAA applied because the parties had agreed the subject contract involved interstate commerce)).

Moreover, and in any event, the FAA applies "to any arbitration agreement regarding a transaction that in fact involves interstate commerce, regardless of whether or not the parties contemplated an interstate transaction." *Munoz*, 343 S.C. at 538, 542 S.E.2d at 363; *see also Allied–Bruce Terminix Cos., Inc. v. Dobson*, 513 U.S. 265, 268 (1995) (holding that the reach of the FAA extends to the broadest permissible exercise of Congress's power under the Commerce Clause). Our

[9] The "FAA" is the Federal Arbitration Act, 9 U.S.C §§ 1–16.

Supreme Court has expressly held that skilled nursing facility admission agreements implicate interstate commerce and, thus, the FAA. *Dean v. Heritage Healthcare of Ridgeway, LLC*, 408 S.C. 371, 381–82, 759 S.E.2d 727, 732–33 (2014).

3. The FAA requires arbitration agreements to be placed on equal footing with all other contracts under South Carolina law.

"[T]he basic purpose of the [FAA] is to overcome courts' refusals to enforce agreements to arbitrate"[10] and "ensure that arbitration will proceed in the event a state law would have a preclusive effect on an otherwise valid arbitration agreement." *Bradley v. Brentwood Homes, Inc.*, 398 S.C. 447, 453, 730 S.E.2d 312, 315 (2012). To that end, the FAA provides that an arbitration agreement is "valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract." 9 U.S.C. § 2. "By its terms, the [FAA] leaves no place for the exercise of discretion by a . . . court, but instead *mandates* that . . . courts *shall* direct the parties to proceed to arbitration on issues as to which an arbitration agreement has been signed." *Dean Witter Reynolds, Inc. v. Byrd*, 470 U.S. 213, 218 (1985) (emphasis added); *see also* 9 U.S.C. § 4 ("The court shall hear the parties, and upon being satisfied that the making of the agreement for arbitration or the failure to comply therewith is not in issue, *the court shall make an order directing the parties to proceed to arbitration in accordance with the terms of the agreement.*") (emphasis added).

While a court may invalidate an arbitration agreement based on "generally applicable contract defenses," it may not do so based on legal rules that "apply only to arbitration or that derive their meaning from the fact that an agreement to arbitrate is at issue." *Kindred Nursing Centers Ltd. P'ship v. Clark*, 137 S. Ct. 1421, 1423 (2017) (citing *AT&T Mobility LLC v.*

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[10] *Allied–Bruce*, 513 U.S. at 270.

Concepcion, 563 U.S. 333, 339 (2011)). Under the FAA, "courts *must* place arbitration agreements on *equal footing with other contracts* . . . ." *Concepcion* at 339 (emphasis added); *see also Allied–Bruce*, 513 U.S. at 281 ("States may regulate contracts, including arbitration clauses, under general contract law principles and they may invalidate an arbitration clause 'upon such grounds as exist at law or in equity for the revocation of any contract.' What States may not do is decide that a contract is fair enough to enforce all its basic terms (price, service, credit), but not fair enough to enforce its arbitration clause. The Act makes *any* such state policy unlawful, for that kind of policy would place arbitration clauses on an unequal 'footing,' directly contrary to the Act's language and Congress' intent.") (emphasis added) (internal citations omitted).[11]

4. The Arbitration Agreement is valid on its face.

The Arbitration Agreement is valid on its face. In other words, there is nothing within the four corners of the document itself that calls its validity into question. It bears Kim's signature on behalf of Ms. Varner, along with her express representation that she is authorized to sign for her.[12] It is countersigned by Ms. Bryant for the Facility. It is duly supported by consideration and sets forth all necessary terms, containing, as it does, the parties' mutual promises to submit a certain

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[11] To be clear, what the FAA requires is for arbitration agreements to be placed on *at least* equal footing with all other contracts under state law. As explained above, both state and federal policy *favor* arbitration. The FAA prohibits arbitration agreements from being singled out for *disfavored* treatment relative to other contracts, but it does not prohibit the *favored* treatment of arbitration agreements relative to other contracts.

[12] By virtue of her signature, Kim is "presumed to have read, understood, and assented to [the] terms" of the Arbitration Agreement, *Gibson v. Epting*, 426 S.C. 346, 352, 827 S.E.2d 178, 181 (Ct. App. 2019) ("[O]ne who has signed a contract is presumed to have read, understood, and assented to its terms."), including, of course, the express representation therein of her authority to act on Ms. Varner's behalf. Moreover, there is an implied covenant of good faith and fair dealing in every contract, *Adams v. G.J. Creel & Sons, Inc.*, 320 S.C. 274, 277, 465 S.E.2d 84, 85 (1995) ("There exists in every contract an implied covenant of good faith and fair dealing."), and Kim is no less bound by this covenant than the Facility.

defined scope of disputes to binding arbitration[13] before an arbitrator who is either agreed upon by the parties themselves or selected by the Court, in a proceeding to be conducted pursuant to the South Carolina ADR Rules, which will result in a decision that is enforceable in a court of competent jurisdiction.[14] To require more just because an arbitration agreement is in issue would violate the FAA's requirement that arbitration agreements be placed on equal footing with all other contracts. *Concepcion*, 563 U.S. at 339.

Moreover, the Arbitration Agreement is not unconscionable. For an agreement to be deemed unconscionable, there must be both (1) an absence of meaningful choice on the part of one party due to one-sided contract provisions and (2) terms that are so oppressive no reasonable person would make them and no fair and honest person would accept them. *Simpson v. MSA of Myrtle Beach, Inc.*, 373 S.C. 14, 25, 644 S.E.2d 663, 668 (2007). Neither is the case here.

The first part of the test (absence of meaningful choice) is undermined by the express acknowledgement in the Arbitration Agreement itself that the "Resident/Representative is not required to use the . . . Facility for Resident's healthcare needs and . . . there are numerous other health care providers in the State where Facility is located that are qualified to provide such care to Resident." It is further undermined by the fact that the Arbitration Agreement itself was not required for admission to the Facility.

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[13] The parties' mutual promises to arbitrate constitute sufficient consideration. *O'Neil v. Hilton Head Hosp.*, 115 F.3d 272, 275 (4th Cir. 1997) ("A mutual promise to arbitrate constitutes sufficient consideration for this arbitration agreement.") (citing *Rickborn v. Liberty Life Ins. Co.*, 321 S.C. 291, 304, 468 S.E.2d 292, 300 (1996) ("[T]he exchange of promises qualified as consideration."); *see also Evatt v. Campbell*, 234 S.C. 1, 8, 106 S.E.2d 447, 451 (1959) ("Mutual promises also constitute a good consideration.").

[14] In this regard, the Court would note that the South Carolina ADR Rules, which do apply to the conduct of arbitration proceedings under the Arbitration Agreement, should not be confused with the SCAA, which, as addressed above (in explaining the applicability of the FAA), does not apply here.

But even assuming, *arguendo*, the first part of the test were somehow met, the second part (unreasonably oppressive terms) certainly is not. The Arbitration Agreement simply binds the parties (both sides) to resolve disputes via arbitration, which is something that is expressly favored as a matter of both state and federal policy. *Parsons*, 418 S.C. at 6, 791 S.E.2d at 131; *Doe*, 430 S.C. at 607, 846 S.E.2d at 877. And there is nothing about the Arbitration Agreement—which, again, calls for arbitration conducted pursuant to the South Carolina ADR Rules—that would suggest it is not geared towards achieving an unbiased decision by a neutral decision-maker. *Simpson*, 373 S.C. at 25, 644 S.E.2d at 668 ("In analyzing claims of unconscionability in the context of arbitration agreements, the Fourth Circuit has instructed courts to focus generally on whether the arbitration clause is geared towards achieving an unbiased decision by a neutral decision-maker."). Indeed, Rule 1 of the South Carolina ADR Rules expressly states, "These rules shall be construed to secure the just, speedy, inexpensive and collaborative resolution in every action to which they apply."

5. Plaintiff's claims are within the scope of the Arbitration Agreement.

Without question, Plaintiff's claims against the Facility and Ms. Montgomery-Smalls are within the scope of the Arbitration Agreement. In pertinent part, the Arbitration Agreement reads as follows:

> It is . . . understood that in the event of any controversy or dispute between the parties arising out of or relating to Facility's Admission Agreement, or breach thereof, or relating in any way to Resident's stay at Facility, or to the provisions of care or services to Resident, including but not limited to any alleged tort, personal injury, negligence or other claim; or any federal or state statutory or regulatory claim of any kind; or whether or not there has been a violation of any right or rights granted under State law (collectively "Disputes"), and the parties are unable to resolve such through negotiation, then the parties agree that such Dispute(s) shall be resolved by arbitration, as provided by the South Carolina Alternate Dispute Resolution/Mediation Rules.

This plain language clearly embraces the subject matter of Plaintiff's claims. And even if there were "any doubts concerning the scope of arbitrable issues[,] [they] should be resolved in favor of arbitration . . . ." *Towles v. United HealthCare Corp.*, 338 S.C. 29, 41, 524 S.E.2d 839, 846 (Ct. App. 1999); *see also Zabinski v. Bright Acres Assocs.*, 346 S.C. 580, 597, 553 S.E.2d 110, 118 (2001) ("[U]nless the court can say with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the dispute, arbitration should be ordered.").

6. The Arbitration Agreement covers Plaintiff's claims against both the Facility and Ms. Montgomery-Smalls.

The Arbitration Agreement expressly states that it not only covers the Facility itself but also the Facility's "agents, employees, and servants." Plaintiff's complaint in Case 2477 alleges that, "at all times relevant herein [Ms. Montgomery-Smalls] was the Administrator of [the Facility]." Accordingly, the Arbitration Agreement covers Plaintiff's claims against both the Facility and Ms. Montgomery-Smalls.

7. The Arbitration Agreement is valid and enforceable because it was properly signed by Kim for Ms. Varner pursuant to Kim's authority under the Power of Attorney.

A person possessing contractual capacity, acting as grantor, can authorize another to contract on the grantor's behalf under the specific terms of a power of attorney. *See Gaddy v. Douglass*, 359 S.C. 329, 344–45, 597 S.E.2d 12, 20 (Ct. App. 2004); *see also Watson v. Underwood*, 407 S.C. 443, 454, 756 S.E.2d 155, 161 (Ct. App. 2014) ("A power of attorney is an instrument in writing by which one person, as principal, appoints another as his agent and confers upon him the authority to perform certain specified acts or kinds of acts on behalf of the principal. The written authorization itself is the power of attorney.") (quoting *In re Thames*, 344 S.C. 564, 569, 544 S.E.2d 854, 856 (Ct. App. 2001)) (internal quotation marks omitted). "[T]he holder of

[the] power of attorney steps into the shoes of the grantor and is basically the alter ego of the grantor." *Bennett v. Carter*, 421 S.C. 374, 382, 807 S.E.2d 197, 201 (2017).

The Power of Attorney was duly executed on March 25, 2018, and became effective immediately upon its execution. The Power of Attorney expressly included the power to "[s]ubmit to alternative dispute resolution." And while, as secondary agent, Kim's authority under the Power of Attorney was contingent upon William being "unable or unwilling to serve," this contingency came to pass due to William's desire to wait in Ms. Varner's room for her arrival. Accordingly, when she signed the Arbitration Agreement for Ms. Varner in May of 2019, Kim was properly acting within the scope of her authority under the Power of Attorney.

8. Plaintiff is precluded from denying the enforceability of the Arbitration Agreement because of merger and equitable estoppel.

Even though Ms. Varner is a nonsignatory to the Arbitration Agreement, i.e., even though she did not actually sign the Arbitration Agreement herself, it is nonetheless enforceable against her/her estate (i.e., Plaintiff).

"South Carolina has recognized several theories that could bind nonsignatories to arbitration agreements under general principles of contract and agency law, including (1) incorporation by reference, (2) assumption, (3) agency, (4) veil piercing/alter ego, and (5) estoppel." *Wilson v. Willis*, 426 S.C. 326, 338, 827 S.E.2d 167, 174 (2019); *see also Coleman v. Mariner Health Care, Inc.*, 407 S.C. 346, 354–355, 755 S.E.2d 450, 455 (2014) (confirming the validity of the general proposition of law on which the appellants based their merger/equitable estoppel argument: "Appellants' equitable estoppel argument is premised on their contention that, under state law, the admission agreements and the [arbitration agreements] merged. . . . Here, the documents were executed at the same time, by the same parties, for the same purposes, and in the

course of the same transaction. Unless there is a contrary intention, appellants are correct that there was a merger.").

Conceptually, the Facility and Ms. Montgomery-Smalls' merger/equitable estoppel argument is not about showing that the Arbitration Agreement is enforceable but about showing that Plaintiff is estopped to deny that the Arbitration Agreement is enforceable. In short, the idea is that the Admission Agreement and the Arbitration Agreement merged, and, Ms. Varner having effectively embraced and directly benefitted from the Admission Agreement, Plaintiff (who stands in place of Ms. Varner in bringing these actions as the personal representative of her estate) is estopped to deny the enforceability of the Arbitration Agreement with which the Admission Agreement merged. Accordingly, counterarguments aimed at denying the Arbitration Agreement's enforceability (e.g., arguments based on a supposed lack of authority to sign the Arbitration Agreement on behalf of Ms. Varner) are beside the point and unavailing.

As explained below, the Court finds that the Arbitration Agreement is also enforceable against Plaintiff based on merger and equitable estoppel.

Merger

In *Coleman*, even though our Supreme Court found against merger on the *particular facts* then before it, the Court nonetheless confirmed the validity of the general proposition of *law* on which the *Coleman* appellants based their merger/equitable estoppel argument:

> Appellants contend that even if Sister lacked capacity to execute the AA under the Act, she is nevertheless equitably estopped to deny the AA's enforceability. The circuit court held there was no estoppel here, and we agree.
>
> Appellants' equitable estoppel argument is premised on their contention that, under state law, the admission agreements and the AAs merged. In South Carolina,

> The general rule is that, in the absence of anything indicating a contrary intention, where instruments are executed at the same time, by the same parties, for the same purpose, and in the course of the same transaction, the courts will consider and construe the documents together. The theory is that the instruments are effectively one instrument or contract.
>
> *Klutts Resort Realty, Inc. v. Down'Round Dev. Corp.*, 268 S.C. 80, 88, 232 S.E.2d 20, 24 (1977).
>
> Here, *the documents were executed at the same time, by the same parties, for the same purposes, and in the course of the same transaction. Unless there is a contrary intention, appellants are correct that there was a merger.*

407 S.C. at 354–355, 755 S.E.2d at 455 (emphasis added).

The merger question examines whether, "where instruments are executed at the same time, by the same parties, for the same purpose, and in the course of the same transaction,"[15] as undoubtedly the Admission Agreement and the Arbitration Agreement were here,[16] evidence exists to upset the presumption in favor of merger, i.e., the presumption that the contracting parties intended the instruments to be construed together as effectively one contract. This is a question of the parties' intention. *Id.* at 355, 755 S.E.2d at 455 ("in the absence of anything indicating a contrary *intention* . . .") (emphasis added). And "in attempting to ascertain th[e] [parties'] intention," courts "endeavor to determine the situation of the parties, as well as their purposes, at the time the contract was entered into." *Klutts*, 268 S.C. at 89, 232 S.E.2d at 25.

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15 *Id.* at 355, 755 S.E.2d at 455.

16 As the *Coleman* Court expressly observed regarding the admission and arbitration agreements before it (which in *this* respect—but not in respect of the material facts bearing on the question of whether the presumption of merger is rebutted—are no different from the instant agreements), "the documents were [indeed] executed at *the same time, by the same parties, for the same purposes, and in the course of the same transaction*." 407 S.C. at 355, 755 S.E.2d at 455 (emphasis added).

It must be remembered that, where, as here, the instruments in question (i.e., the Admission Agreement and the Arbitration Agreement) were executed at the same time, by the same parties, for the same purpose, and in the course of the same transaction, merger is *presumed.* For this presumption to mean anything in practice, it cannot be upset based on mere conjecture, but only on actual evidence that—notwithstanding the circumstances that gave rise to the merger presumption in the first place (same time, parties, purpose, and transaction)—can support a reasonable, non-speculative inference that the parties' intention was contrary to merger. *Cf. The Huffines Co., LLC v. Lockhart*, 365 S.C. 178, 188, 617 S.E.2d 125, 130 (Ct. App. 2005) ("[V]erdicts may not be permitted to rest upon surmise, conjecture, or speculation."). No such inference can be drawn here.

Although the Admission Agreement does contain an "Entire Agreement" clause, it does not refer to the Arbitration Agreement as a separate contract but rather expressly states, "other Admissions materials . . . are made a part of this Agreement by reference herein." Clearly, the Arbitration Agreement is among these other admissions materials. *See Stott v. White Oak Manor, Inc.*, 426 S.C. 568, 571–72, 828 S.E.2d 82, 84 (Ct. App. 2019) (recognizing "admission documentation" to include an arbitration agreement: "The same day as Decedent's admission to White Oak, Stott, acting as Decedent's authorized representative, signed White Oak's *admission documentation—including the Arbitration Agreement.*") (emphasis added) (internal footnote omitted). This directly contradicts the notion of any intended "separatedness" (in the parlance of the *Coleman* Court[17]) between the Admission Agreement and the Arbitration Agreement.

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[17] 407 S.C. at 356, 755 S.E.2d at 455 (explaining how, in *Coleman*—unlike the instant case—the "Entire Agreement" clause expressly referred to a separate arbitration agreement and, thus, "recognize[d] the '*separatedness*' of the [arbitration agreement] and the admission agreement, not a merger of the two contracts.") (emphasis added).

While the Arbitration Agreement was not required for Ms. Varner's admission to the Facility, all this means is that the Arbitration Agreement did not have to be executed at all. It does not mean that the Arbitration Agreement did not become part of the admissions materials once it was in fact executed, which, without question, it was—and under the very circumstances (same time, parties, purpose, and transaction) that give rise to the presumption of merger. In other words, even though the Arbitration Agreement was not a *condition* of admission, it was certainly agreed to in *conjunction* with admission; whereupon, it was intended to be considered and construed together with the Admission Agreement, such that the two were effectively one instrument, governing various interrelated aspects of Ms. Varner's relationship with the Facility: the Admission Agreement setting forth the terms of her admission, the Arbitration Agreement providing for arbitration of disputes arising out of her admission.

Indeed, the fact that the Arbitration Agreement was not required for admission underscores its *connectedness* to the Admission Agreement. The two go together hand in glove. Without the hand (the Admission Agreement), there is no reason for the glove (the Arbitration Agreement). While it is true that the Arbitration Agreement is not necessary to the Admission Agreement, the converse is not true: The Admission Agreement *is* necessary to the Arbitration Agreement. Unlike the Admission Agreement, which theoretically could have stood on its own in the absence of the Arbitration Agreement—and, of course, had the Arbitration Agreement not been executed, it simply would not exist and no question of merger would have arisen to begin with—the Arbitration Agreement could not have stood on its own: It only makes sense together with, i.e., connected to, the Admission Agreement, which is its sole reason for being.

That the Admission Agreement and the Arbitration Agreement have their own titles and are separately paginated and signed admits of no reasonable inference of an intent contrary to

merger. To point to such things is to do no more than to observe that the Admission Agreement and the Arbitration Agreement are separate instruments, a fact which does not actually suggest anything probative about the intent of the contracting parties as to whether they should be construed together. Indeed, the question of merger will not arise in the first place unless there are multiple instruments involved. Obviously, it cannot be the case that the mere existence of the necessary factual predicate for the question of merger to arise, i.e., separate instruments, shows an intention contrary to merger.

And even assuming, *arguendo*, there is some ambiguity in this regard, to fall back on the idea that it should be construed against the Facility as the drafter is uncalled for in this context. *Merger is the default position*, i.e., it is presumed, and this is so because of the confluence of a particular set of circumstances—the instruments at issue were executed at the same time, by the same parties, for the same purpose, and in the course of the same transaction. When all these stars align—same time, same parties, same purpose, same transaction—our law instructs the Court to consider and construe the instruments together *unless* there is evidence of a contrary intention. The plain language of the rule endorsed in *Coleman* is to the effect that to upset the merger presumption requires evidence "indicating [(i.e., affirmatively showing)] a contrary intention." 407 S.C. at 355, 755 S.E.2d at 455. To allow the merger presumption to be upset based on evidence that is merely ambiguous—i.e., that does not even go so far as to clearly indicate a contrary intention, but at most might (or might not) reflect a contrary intention—is to allow the exception to devour the rule.

Equitable Estoppel

Properly viewing the Admission Agreement and the Arbitration Agreement as merged, Plaintiff is equitably estopped from denying the validity of the Arbitration Agreement by virtue of

the direct benefits test our Supreme Court endorsed in *Wilson*. *See* 426 S.C. at 340, 827 S.E.2d at 175 ("Under direct benefits estoppel, '[a] nonsignatory is estopped from refusing to comply with an arbitration clause 'when [the nonsignatory] receives a direct benefit from a contract containing an arbitration clause.'"') (quoting *Pearson v. Hilton Head Hosp.*, 400 S.C. 281, 290, 733 S.E.2d 597, 601 (Ct. App. 2012)) (quoting *Int'l Paper Co. v. Schwabedissen Maschinen & Anlagen GMBH*, 206 F.3d 411, 418 (4th Cir. 2000)); *id.* ("'In the arbitration context, the doctrine [of direct benefits estoppel] recognizes that a party may be estopped from asserting that the lack of his signature on a written contract precludes enforcement of the contract's arbitration clause *when he has consistently maintained that other provisions of the same contract should be enforced to benefit him.*'") (emphasis in original) (quoting *Pearson*, 400 S.C. at 290, 733 S.E.2d at 601) (quoting *Int'l Paper*, 206 F.3d at 418).

The *Wilson* Court favorably discussed the application of the direct benefits test in the arbitration agreement context—the Court of Appeals having applied the test in the decision then before the *Wilson* Court on writ of certiorari, which test the Court of Appeals had earlier applied to find a nonsignatory estopped to deny the validity of an arbitration agreement in *Pearson*, 400 S.C. 281, 733 S.E.2d 597, and under which test the Facility and Ms. Montgomery-Smalls contend Plaintiff is estopped to deny the validity of the Arbitration Agreement here. *See Wilson*, 426 S.C. at 340–345, 827 S.E.2d at 175–177; *see also id.* at 340, 827 S.E.2d at 175 n.6 (while expressing no opinion on the petitioner's alternative argument based on the application of the state's "traditional" six-factor test for estoppel, which the *Wilson* Court found unpreserved for review, observing nonetheless that that test, i.e., "[t]he traditional test referenced by [the] [p]etitioners," "has been analyzed most-often in *non*-arbitration cases") (emphasis added).

Without question, Ms. Varner received direct benefits from the Admission Agreement throughout her residency at the Facility, including, without limitation, the room, board, care/treatment she received therein. To deny her receipt of such benefits is illogical and objectively unreasonable and would require wholly discrediting the entirety of her residency: every meal, every instance of care/treatment she received, essentially every moment at the Facility—even Plaintiff's complaints do not go nearly so far as that. Ms. Varner having effectively embraced and directly benefitted from the Admission Agreement, Plaintiff cannot now deny the enforceability of the Arbitration Agreement with which the Admission Agreement merged.

9. Neither the Facility nor Ms. Montgomery-Smalls waived any arbitration rights.

Waiver is the voluntary relinquishment of a known right. When timely answering Plaintiff's complaints, the Facility and Ms. Montgomery-Smalls expressly reserved their arbitration rights. Moreover, Case 2477 was filed some three months after Case 1437, and by virtue of his now-withdrawn motion to consolidate, Plaintiff acknowledges that the cases "concern the same underlying facts and have factual and legal questions in common." There was no undue delay in moving to compel arbitration; nor was there any prejudice from any supposed delay; nor did either the Facility or Ms. Montgomery-Smalls make any use of the tools of litigation inconsistent with their arbitration rights.

B. Re: the Motions to Stay

The relationship between the Motions to Compel Arbitration and the Motions to Stay is such that the grant of the former requires the grant of the latter. *See* 9 U.S.C. § 3 ("If any suit or proceeding be brought in any of the courts of the United States upon any issue referable to arbitration under an agreement in writing for such arbitration, the court in which such suit is pending, upon being satisfied that the issue involved in such suit or proceeding is referable to

arbitration under such an agreement, *shall* on application of one of the parties *stay the trial of the action until such arbitration has been had in accordance with the terms of the agreement*, providing the applicant for the stay is not in default in proceeding with such arbitration.") (emphasis added); *Stokes v. Metro. Life Ins. Co.*, 351 S.C. 606, 612, 571 S.E.2d 711, 715 (Ct. App. 2002) ("[The] FAA clearly requires a court stay 'any suit or proceeding' pending the arbitration of 'any issue referable to arbitration under an agreement in writing for such arbitration' upon the application of one of the parties."). But even assuming, *arguendo*, staying Case 2477 is not mandatory here, for the sake of judicial economy, of avoiding piecemeal litigation and the potential for inconsistent obligations, and of the orderly administration of its own docket, the Court exercises its discretion to impose such a stay. *See State v. Langford*, 400 S.C. 421, 435, 735 S.E.2d 471, 478 (2012) ("[A] court's power to hear and decide cases 'carries with it the inherent power to control the order of its business.'") (quoting *Williams v. Bordon's*, Inc., 274 S.C. 275, 279, 262 S.E.2d 881, 883 (1980)); *Episcopal Housing Corp. v. Federal Ins. Co.*, 269 S.C. 631, 641, 239 S.E.2d 647, 652 (1977) ("The fact that Federal is not a party to an arbitration agreement does not prevent an order staying the judicial proceedings pending arbitration between those who are parties to such an agreement."). Indeed, as stated in Plaintiff's now-withdrawn motion to consolidate Case 1437 with Case 2477, "[i]t is in the interest of efficiency and judicial economy to consolidate these actions as aforesaid and avoid duplicative discovery and trials." These interests likewise support staying Case 2477.

III.

CONCLUSION

The Subject Motions are hereby GRANTED. Case 1437 is stayed in favor of arbitration between Plaintiff and the Facility. Case 2477 is stayed in favor of arbitration between Plaintiff and Ms. Montgomery-Smalls, with Plaintiff's claims against FAS and FCOS stayed pending the ultimate outcome of arbitration between Plaintiff, the Facility, and Ms. Montgomery-Smalls.

IT IS SO ORDERED.

_____

ROGER M. YOUNG, SR., Presiding Judge
Court of Common Pleas
Charleston County

Charleston, South Carolina

Dated: _____

Charleston Common Pleas

Case Caption: William Haynes , plaintiff, et al VS Thi Of South Carolina At Charleston , defendant, et al

Case Number: 2021CP1001437

Type: Order/Compel

It is so ordered.

/s Roger M. Young, Sr. S.C. Circuit Judge 2134

STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON William Haynes, as Personal Representative of the Estate of Elizabeth Varner, Plaintiff, v. Fundamental Administrative Services LLC, And Fundamental Clinical and Operational Services, LLC, and Jerrolyn Montgomery-Smalls., Defendants.	IN THE COURT OF COMMON PLEAS FOR THE NINTH JUDICIAL CIRCUIT CASE NO.: 2021-CP-10-01754 & 10-02744 **ORDER DENYING MOTION FOR RECONSIDERATION PURSUANT TO RULE 59(e)**
STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON William Haynes, as Personal Representative of the Estate of Elizabeth Varner, Plaintiff, v. THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab, Defendant.	

The Plaintiff filed a motion asking this Court to reconsider its Order dated February 24, 2022 granting Defendants' Motions to Stay and Compel Arbitration. Specifically, Plaintiff asks this Court to reconsider the order and argues that the Arbitration Agreement is unenforceable for multiple reasons and that the Stays are improper under the Federal Arbitration Act. For the reasons set forth below, the motion to reconsider is DENIED.

STANDARD OF REVIEW

Exhibit I

Motions for reconsideration will not be granted absent "highly unusual circumstances." U.S. ex rel. Becker v. Washington Savanah River Co., 305 F.3d 284, 290 (4th Cir. 2002) (stating that simple disagreements with the court's ruling will not support Rule 59(e) relief).[1] Courts have recognized three circumstances in which a court should grant a Rule 59(e) motion: (1) to accommodate an intervening change in controlling law; (2) to account for new evidence not available at trial; or (3) to correct a clear error of law or prevent manifest injustice." Hutchinston v. Staton, 994 F.2d 1076, 1081 (4th Cir. 1993). Importantly, a motion for reconsideration is not a vehicle to re-litigate previously raised issues or "to raise argument or present evidence that could have been presented prior to the entry of judgment." Dash v. Mayweather, C/A No. 3:10-1036-JFA, 2010 U.S. Dist. LEXIS 95277, *2 (D.S.C. Sept. 13, 2010) (quoting Exxon Shipping Co. v. Baker, 554 U.S. 471, n.5 (2008)). In other words, "[a] party cannot use Rule 59(e) to present to the court an issue the party could have raised prior to judgment but did not." Stevens & Wilkinson of S.C., Inc. v. City of Columbia, 409 S.C. 563, 567, 762 S.E.2d 693, 695 (2014); Patterson v. Reid, 318 S.C. 183, 185, 456 S.E.2d 436, 437 (Ct. App. 1995). Nor does "[a] party's mere disagreement with the court's ruling . . . warrant a Rule 59(e) motion." In re Pella Corp. Architect & Designer Series Windows Mktg., Sales Practices & Prods. Liab. Litig., 269 F.Supp. 3d 685, 691 (D.S.C. 2017); *see also* Lyons v. Fid. Nat'l Title Ins. Co., 415 S.C. 115, 135, 781 S.E.2d 126, 137 (Ct. App. 2015).

After consideration of the issues raised in the parties' memorandums, Plaintiff's Motion to Reconsider pursuant to Rule 59(e) is DENIED.

AND IT IS SO ORDERED.

ELECTRONIC SIGNATURE PAGE TO FOLLOW

1 Rule 59 is substantially the same as the Federal Rule. *See* Elam v. S.C. Dep't of Transp., 361 S.C. 9, 21, 602 S.E. 2d 772, 779 (2004) ("Rule 59(e) in the South Carolina and federal rules of civil procedure is practically identical.").

Charleston Common Pleas

Case Caption: William Haynes , plaintiff, et al VS Thi Of South Carolina At Charleston , defendant, et al

Case Number: 2021CP1001437

Type: Order/Other

It is so ordered.

/s Roger M. Young, Sr. S.C. Circuit Judge 2134

STATE OF SOUTH CAROLINA)	**IN THE COURT OF COMMON PLEAS**
COUNTY OF Charleston)	
William Hayes, et al)	**PROOF OF ADR OR EXEMPTION**
Plaintiff,)	
vs. THI of South Carolina)	**FILE NO.:** 2021-CP-10-01457
etc.)	
Defendant.)	

(An original and copy of this form is to be completed and filed with the Office of the Clerk of Court and a copy forwarded to the attorneys for the parties within 10 days of the conclusion of ADR, or within 300 days of the filing date of the action, whichever is earlier.)

PURSUANT to the South Carolina Alternative Dispute Resolution Rules (SCADR):

A. _____ **I certify that this case is exempt from ADR for the following reason and the parties wish to exercise that exemption:**

Plaintiff/Attorney for Plaintiff	**Defendant/Attorney for Defendant**
Print Name	**Print Name**
Phone/Fax	**Phone/Fax**
Date: _____	

B. ✓ **1. Alternative Dispute Resolution (ADR) was conducted in the form of:**

Binding Arbitration

(Note: If binding arbitration has been chosen by the parties but not yet completed, an appropriate order of dismissal must be attached hereto.)

2. The neutral(s) was/were: (Name of arbitrator/mediator):

D. D. Eberhardt

3. The ADR was conducted on 4-5-23 **to** 4-6-23 **, 20**

SCADR 104A (11/2012)

Exhibit J

4. As a result of ADR, this case should be considered (please check one);

( ) Fully Settled.

( ) by Consent Judgment, to be filed by _____

or ( ) Voluntary Dismissal to be filed by _____

( ) Partially Settled.

( ) At an Impasse.

( ) In need of further ADR I ☐ am ☐ am not willing to continue as a neutral. I recommend that ADR resume as of _____.

5. Plaintiff ☐ was present ☐ was not present
Defendant ☐ was present ☐ was not present

6. Other partcipants were:

_____ Lawyer for Defendant _____
_____ Lawyer for Plaintiff _____
_____ Representative for Insurance Carrier _____
_____ Guardian *ad Litem* _____
_____ Experts
_____ Others _____

7. Choice of the neutral was by:

_____ Stipulation
_____ Court Order

8. The total number of hours spent in ADR was: _____ hours.

9. Further comments of the neutral:

_____

_____
Neutral's Signature

Date: _____

The South Carolina Court of Appeals

William Haynes, as Personal Representative of the Estate of Elizabeth Varner, Appellant,

v.

THI of South Carolina at Charleston, LLC d/b/a Riverside Health and Rehab, Respondent.

and

William Haynes, as Personal Representative of the Estate of Elizabeth Varner, Appellant,

v.

Fundamental Administrative Services, LLC; Fundamental Clinical and Operational Services, LLC; and Jerrolyn Montgomery-Smalls, Respondents.

Appellate Case No. 2023-001212

ORDER

This appeal arises out of the circuit court's order granting Respondents' motions to stay and compel arbitration. Because the underlying order is not appealable, this appeal is dismissed. *See* S.C. Code Ann. § 15-48-200 (2005); *Main Corp. v. Black*, 357 S.C. 179, 181-82, 592 S.E.2d 300, 302 (2004) ("If the circuit court has not resumed jurisdiction and issued one of the orders enumerated in Section 15-48-200, there is no court order that can be the subject of an appeal."). The remittitur will be sent as provided by Rule 221(b) of the South Carolina Appellate Court Rules.

Exhibit K

C., J.
FOR THE COURT

FILED
Aug 08 2023

Columbia, South Carolina

cc:
Shawn Travis Pinkston, Esquire
Matthew Oliver Riddle, Esquire
Gaillard Townsend Dotterer, III, Esquire