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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM DORCHESTER COUNTY
Court of Common Pleas
The Hon. Heath P. Taylor, Circuit Court Judge

Appellate Case No. 2024-000677

Jennifer Pringle and Dewayne Pringle, …… Plaintiffs,

Of Whom Jennifer Pringle is the …….. Appellant,

v.

Mackenzie Alice Hunt and Thomas Christopher Newman, …….. Respondents.

FINAL BRIEF OF RESPONDENTS

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STATEMENT OF ISSUES ON APPEAL

Did the circuit court properly grant Respondents' Motion to Enforce Settlement because the insurer complied with all material terms of and accepted Appellant Jennifer Pringle's offer to settle her claims for policy limits in exchange for a Covenant Not to Execute?

STATEMENT OF THE CASE

This appeal arises out of a motor vehicle accident case. Jennifer Pringle, Dewayne Pringle, and two other passengers were involved in a car accident with Respondent Mackenzie Alice Hunt on September 8, 2022. Jennifer Pringle, Dewayne Pringle, and the two other passengers presented bodily injury and/or property damage claims to State Farm Mutual Automobile Insurance Company (hereinafter "State Farm"), Respondents' automobile insurance carrier. Jennifer Pringle and Dewayne Pringle retained Poulin, Willey, & Anastopoulo LLC with respect to their claims.

On July 3, 2023, Poulin, Willey, & Anastopoulo LLC sent a document entitled "Offer of Compromise" to State Farm. The document contained summaries of Jennifer Pringle's and Dewayne Pringle's claims, itemized Jennifer Pringle's and Dewayne Pringle's medical specials, and presented demands to settle each claim for bodily injury liability policy limits and a pro rata apportionment of property damage coverage.

State Farm rejected Dewayne Pringle's demand but met the terms of Jennifer Pringle's demand, forming a binding contract between State Farm and Jennifer Pringle. Jennifer Pringle breached the binding contract by not executing a Covenant Not to Execute in favor of State Farm and its insureds. Jennifer Pringle and Dewayne Pringle filed suit against Respondents on December 4, 2023. Respondents answered the lawsuit on December 19, 2023. Respondents promptly filed a Motion to Enforce Settlement on December 22, 2023, alleging prior settlement of Jennifer Pringle's claim. Both parties filed memoranda in support of or in opposition to the Motion on February 1, 2024. Jennifer Pringle filed a supplemental Motion on February 4, 2024. Judge Heath

Taylor heard the Motion on February 5, 2024, and took the same under advisement. On March 6, 2024, the circuit court granted Respondents' Motion to Enforce Settlement. Jennifer Pringle filed a Motion to Alter or Amend the circuit court's Order on March 7, 2024. The same was denied on March 26, 2024. Jennifer Pringle served and filed a Notice of Appeal on April 23, 2024.

STATEMENT OF FACTS

This case arises out of an accident that occurred on September 8, 2022, in Berkeley County, South Carolina. (R. p. 9). Jennifer Pringle and Dewayne Pringle were traveling on Route 176 when Respondent Mackenzie Hunt attempted to cross Route 176 at Mudville Road. (R. p. 9). Dewayne Pringle struck Respondent's vehicle. (R. p. 9). Jennifer Pringle's mother and her mother's significant other were passengers in the Pringles' vehicle. Shortly thereafter, Jennifer Pringle, Dewayne Pringle, and the two other passengers presented bodily injury claims to State Farm, Respondents' liability insurance carrier. Settlement negotiations between the parties ensued.

On July 3, 2023, Poulin, Willey, & Anastopoulo LLC (hereinafter "Anastopoulo"), sent a document entitled "Offer of Compromise" (hereinafter "demand letter") on behalf of their two clients, Jennifer Pringle and Dewayne Pringle. (R. pp. 31-43). The demand letter alleged Jennifer Pringle incurred medical specials of over $242,680.80, while Dewayne Pringle incurred only $6,275.00 of medical specials. (R. pp. 34-37). The document contained summaries of Jennifer Pringle's and Dewayne Pringle's claims, itemized Jennifer Pringle's and Dewayne Pringle's medical specials, and presented demands to settle each claim for bodily injury liability policy limits and a pro rata apportionment of property damage coverage. (R. pp. 32-41).

After evaluating the Pringles' claims and the claims of the remaining other passengers, State Farm accepted Jennifer Pringle's Offer of Compromise due to her significant claimed medical specials and bodily injuries. (R. pp. 45-53). State Farm reasonably rejected Dewayne Pringle's Offer of Compromise in good faith, since accepting the same would result in the

remaining two claimants receiving nothing. (R. p. 45). Despite her own demand, Jennifer Pringle refused to sign the proffered Covenant Not to Execute in favor of State Farm and Respondents, forcing Respondents to file a Motion and move for an Order enforcing the agreement entered into by and between the parties.

Counsel for Respondents and for Jennifer Pringle filed Memoranda in Support of and in Opposition to the Motion to Enforce Settlement on February 1, 2024. Counsel for Jennifer Pringle filed a subsequent Memorandum in Opposition at 7:46 p.m. on February 4, 2024, the night before the Motion was to be heard. (R. pp. 56-60). The supplemental Memorandum in Opposition was not accepted by the court and uploaded to the public index until the morning of the hearing. (R. pp. 56-60).

The Motion to Enforce Settlement was heard on February 5, 2024, in front of the Honorable Judge Heath Taylor. After considering the arguments of counsel, Judge Taylor granted the Defendant's Motion to Enforce Settlement and ordered Jennifer Pringle to sign and return the Covenant Not to Execute. Jennifer Pringle failed to comply with Judge Taylor's Order and refused to return a signed Covenant Not to Execute. This appeal followed.

ARGUMENT

Appellant Jennifer Pringle Entered Into a Valid and Enforceable Written Contract With Respondents When State Farm Accepted Jennifer Pringle's Offer of Compromise on Respondents' Behalf, and Jennifer Pringle Breached That Contract.

Appellant's counsel made a clear and unambiguous offer on behalf of Jennifer Pringle, that offer was fully accepted by State Farm, and valid consideration was exchanged, thus creating a binding contract between Jennifer Pringle and State Farm for the benefit of Respondents.

In South Carolina jurisprudence, "settlement agreements are viewed as contracts, the enforcement of which is governed by contract principles of law." *Pee Dee Stores, Inc. v. Doyle*, 381 S.C. 234, 241, 672 S.E.2d 799, 802-803 (Ct. App. 2009). A valid contract requires an "offer,

acceptance, and valuable consideration." *Id.* Valuable consideration may consist of "some right, interest, profit or benefit accruing to one party, or some forbearance, detriment, loss or responsibility given, suffered or undertaken by the other." *Prestwick Golf Club, Inc. v. Prestwick Ltd. P'ship*, 331 S.C. 385, 389, 503 S.E.2d 184, 186 (Ct. App. 1998). South Carolina common law requires that, "in order to have a valid and enforceable contract, there must be a meeting of the minds between the parties with regard to *all* material terms of the agreement" *Player v. Chandler,* 299 S.C. 101, 105, 382 S.E.2d 891, 893 (1989) (emphasis in original).

When construing terms of a contract, a court must look first to the language of the contract to determine the intentions of the parties. *Ecclesiastes Prod. Ministries v. Outparcel Assocs., LLC,* 374 S.C. 483, 497, 649 S.E.2d 494, 501 (Ct. App. 2007) (citing *Jacobs v. Service Merch. Co.,* 297 S.C. 123, 375 S.E.2d 1 (Ct. App. 1988)). However, "parties are governed by their outward expressions and the court is not at liberty to consider their secret intentions. *Id.* (citing *Blakeley v. Rabon,* 266 S.C. 68, 73, 221 S.E.2d 767, 769 (1976)).

As counsel for Jennifer Pringle astutely pointed out in their brief, it is important to review the language of the July 3, 2023, document labeled "Offer of Compromise," and, arguably more importantly, what it did not state. The demand letter first summarized the purported facts of loss and alleged liability rested solely with Respondents. (R. p. 33). The demand letter went on to make a heading labeled "Dewayne Pringle." (R. p. 34). Within that heading, the demand letter introduced Dewayne Pringle as a loving husband to his notably unnamed wife. (R. p. 34). It went on to summarize Dewayne's claimed injuries and medical specials. (R. p. 34). Under a completely separate heading, the demand letter introduced Jennifer Pringle as a loving wife to a notably unnamed husband. (R. p. 35). It went on to summarize Jennifer Pringle's claimed injuries and medical specials. (R. p. 35). In a small-font footnote on Page 8 of the demand letter, Anastopoulo

provided very specific draft instructions for Dewayne Pringle, and *separate* draft instructions for Jennifer Pringle.

More specifically, the demand letter required:

1. A pro rata apportionment of bodily-injury limits and all remaining property-damage limits, payable to Jennifer Pringle and Poulin, Willey, Anastopoulo, LLC;
2. Sworn and notarized statements from Respondents that no other insurance coverage available to them could pertain to this loss;
3. A Covenant Not to Execute that did not contain warranties regarding the absence of liens, the release of anyone other than the insureds and State Farm, and indemnification provisions;
4. Payment via Cashier's Check or Certified Bank Check issued by [the] insurance company; and
5. Receipt of all of the aforementioned requirements by 5:00 p.m. on July 17, 2023.

What was noticeably missing from the demand letter, however, was any mention that Jennifer and Dewayne Pringle were husband and wife, or that they required their claims to be settled together. The two could have been father and daughter, mother and son, brother and sister, or cousins. The demand letter summarized their claims separately, itemized their damages separately, and, buried within a footnote with small font, asked for separate payments for each person. In bold and underlined font, however, the demand letter specified that its requirement of tendering payment via cashier's check as opposed to a regular settlement draft was a material term of settlement.

One would think the alleged requirement of settling both Jennifer Pringle's and Dewayne Pringle's separate and distinct claims together would have also been explicitly stated, underlined, and bolded if it were such a material term of settlement. On the contrary, the now purported material term was not even buried within the fine print – it was simply absent from the demand letter entirely. Neither State Farm nor this Court should be expected to have some clairvoyant knowledge of Jennifer Pringle's and Dewayne Pringle's secret intention to only settle their claims together.

Jennifer Pringle also leans heavily on the notion that the undersigned counsel has referred to the document as the "Offer of Compromise" in the Response to Offer of Compromise and Respondents' Memorandum in Support of Motion to Enforce Settlement. The referral to the document as a singular "Offer" is not indicative of or an admission that the document only contained one offer. Rather, State Farm received a document labeled "Offer of Compromise," therefore, the document was referred to as such. Counsel for Jennifer Pringle could have named the document "Offer*s* of Compromise," "Time Demand," "Time Demand*s,*" "The Pringles," or "Pay Me Your Policy Limits," and State Farm and the undersigned counsel would have referred to it as such. The title of the document does not change the fact that, in substance, the document included two singular offers to settle two drastically different claims for two completely separate clients separated by distinct headings that just so happened to be sent as one PDF document.

To accept Jennifer Pringle's settlement demand, the undersigned counsel promptly obtained sworn Affidavits from Respondents, drafted a Covenant Not to Execute in full compliance with the demand letter's strict requirements, and obtained a cashier's check in the amount of $37,957.18 made out to "Jennifer Pringle and Poulin, Willey, Anastopoulo, LLC," as instructed. (R. pp. 45-53). These documents were hand-delivered to Poulin, Willey, Anastopoulo, LLC on July 14, 2023. (R. pp. 45-53). State Farm did not simply pick and choose among the terms and accept only those that were advantageous to it. Rather, State Farm fully complied with all essential and material terms of Jennifer Pringle's settlement demand, thus forming a binding settlement contract between State Farm and Jennifer Pringle.

Finally, it is unclear what Anastopoulo hopes to accomplish with this appeal even if it is successful. The document entitled "Offer of Compromise" cites the seminal case of *Tyger River Pine Co. v. Maryland Casualty Co.* multiple times. 170 S.C. 286, 170 S.E. 346 (1933). Broadly, the *Tyger River* case established an insurer's duty to act reasonably in evaluating and settling

claims. While *Tyger River* imposes a reasonableness standard on *insurers*, attorneys submitting unreasonable demands such as these are left unchecked. This appeal is not about trying to hold insurers such as State Farm to the *Tyger River* reasonableness standard or punishing insurers for completely ignoring a demand deadline or refusing to pay claims when it would be reasonable to do so. This is about claimants such as Jennifer Pringle attempting to play a game of "gotcha" with State Farm.

State Farm plainly met its duty to act reasonably in evaluating and settling the claims arising out of the accident that occurred on September 8, 2022. Given the facts of the accident as well as Jennifer Pringle's claimed medical specials, State Farm determined it would be reasonable to settle Jennifer Pringle's claim for the maximum $25,000 per person bodily injury policy limits and the pro rata apportionment of remaining property damage coverage, which State Farm offered from the very beginning. However, State Farm determined it would not have been reasonable to settle Dewayne Pringle's objectively much smaller claim for remaining policy limits given the two additional passenger claimants.

Demand letters like this one are plainly an attempt to set a trap to "catch" insurers. Not only do they demand a variety of unnecessarily specific conditions, but they force insurers to face an impossible dilemma. Even if State Farm were to clairvoyantly determine that Dewayne Pringle and Jennifer Pringle were only willing to settle their claims together, counsel for the Pringles is effectively trying to strongarm State Farm into overpaying on Dewayne Pringle's claim by piggybacking his separate claim onto Jennifer Pringle's potentially much larger claim. Jennifer Pringle's brief accuses State Farm of wanting to "have their proverbial cake and eat it too." In reality, the appropriate analogy is that Jennifer and Dewayne Pringle want the entire cake to themselves, leaving the other two passengers with none. Not only is such an outcome unpalatable

to the other passengers, but it leaves the insureds entirely without coverage for two claimants. Of course, the insured tortfeasors would not think that is reasonable.

CONCLUSION

Appellant Jennifer Pringle plainly offered to settle her claims for $25,000 of bodily injury liability policy limits and her pro rata apportionment of remaining property damage coverage on July 3, 2023. State Farm met the exact terms of her demand, thereby forming a binding contract between State Farm and Jennifer Pringle. Jennifer Pringle breached the binding contract by refusing to sign the proffered Covenant Not to Execute. The fact that another claimant represented by the same attorney also offered to settle his separate and distinct claims within the same document is irrelevant. State Farm fully complied with each and every material term of settlement for Jennifer Pringle, and Jennifer Pringle is bound by the agreement her own lawyers created.

This Court should not encourage claimants to play this game of "gotcha" with insurers. Accordingly, this Court should uphold the circuit court's Order granting their Motion to Enforce Settlement.

Respectfully Submitted,

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CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the Respondents' Final Brief complies with Rule 211(b), SCACR.

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PROOF OF SERVICE

I certify that I have served the Respondents' Final Brief by mailing a copy of the same in the United States mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below to the individuals and addresses as follows:

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October 22, 2024

File No.: 20231301.000

The Honorable Jenny Kitchings
South Carolina Court of Appeals
1220 Senate Street
Columbia, SC 29201

Re: Jennifer Pringle, Appellant v. Mackenzie Alice Hunt and Thomas Christopher Newman, Respondents.
Appellate Case No..: 2024-000677

Dear Ms. Kitchings:

Enclosed for filing please find:

1. One unbound original copy of the Final Brief of Respondents filed electronically
2. One bound copy of the Final Brief of Respondents (being sent directly from ProLegal)
3. Certificate of Counsel
4. Proof of Service of Final Brief of Respondents

Very truly yours,

CLAWSON and STAUBES, LLC

Megan Corrie

Megan E. Corrie

cc: Brian Critzer, Esq.
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