

Exhibit A

(August 21, 2025 Order)

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SC Court of Appeals

STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
)	FOR THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON)	
)	CIVIL ACTION NO. 2024-CP-10-06252
DAVID WHITE,)	
)	
Plaintiff,)	
)	
)	ORDER DENYING DEFENDANT
)	LYFT, INC., d/b/a LYFT DRIVES
LYFT, INC., d/b/a LYFT DRIVES)	SOUTH CAROLINA, INC.'S MOTION
SOUTH CAROLINA, INC., ALICIA)	TO STAY AND COMPEL ARBITRATION
WHITE and JANE DOE)	
)	
Defendants.)	

This matter came before the Court on Defendant Lyft, Inc., d/b/a Lyft Drives South Carolina, Inc.'s (hereinafter "Defendant Lyft") Motion to Compel Arbitration and Stay Proceedings, filed March 24, 2025. The Court heard arguments from counsel on July 31, 2025. Having reviewed the Motion, memoranda from parties' counsel, and oral arguments, the Court hereby **DENIES** Defendant Lyft's motion to compel arbitration and stay proceedings. This decision is based on the following:

This matter arises from a motor vehicle collision that occurred on December 26, 2021, at approximately 2:11 pm, when Plaintiff David White (hereinafter "Plaintiff") was a passenger in a vehicle driven by Defendant Alicia White that was illegally parked on the side of Delano Street in Charleston, South Carolina. A Complaint was initiated against Defendants in this Court on December 18, 2024. Defendant Lyft filed an Answer on February 20, 2025. On March 24, 2025, Defendant Lyft filed a Motion to Stay and Compel Arbitration seeking to enforce the arbitration clause contained in Defendant Lyft's Terms of Service ("TOS") with Plaintiff, which is this Motion.

This Court finds that Defendant's Motion shall be denied for two reasons.



I. THE TERMS OF SERVICE DO NOT APPLY TO PLAINTIFF'S CLAIMS.

First and foremost, this Court finds that Defendant Lyft's Terms of Service ("TOS") do not apply to this case for the following reasons:

A. The Terms of Service govern only use of the Lyft Platform and related Services.

Defendant Lyft's TOS clearly define the scope of the agreement containing the arbitration clause. The opening paragraph explicitly states that the "Terms of Service constitute a legally binding agreement . . . between [Plaintiff] and Lyft, Inc., its parents, subsidiaries, representatives, affiliates, officers and directors . . . governing [Plaintiff's] use of the Lyft application (the 'Lyft App'), website, and technology platform (collectively, the 'Lyft Platform')." Def.'s Mot. to Stay & Compel Arbitration, Ex. E, at 1 (emphasis added). The Terms further provide that "IF YOU DO NOT AGREE TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT, YOU MAY NOT USE OR ACCESS THE LYFT PLATFORM OR ANY OF THE SERVICES PROVIDED THROUGH THE LYFT PLATFORM." *Id.*

This language demonstrates that the TOS, which includes the subject arbitration clause, only govern a user's active use or access of the Lyft Platform or Defendant Lyft's services. This contract creates no broader relationship and does not apply outside of these limited circumstances. Plaintiff was not a "Lyft" passenger at the time of the incident. He was riding with a friend who was a Lyft driver. He did not order a Lyft nor ride with someone else who ordered a Lyft to a requested destination. Defense counsel argued that he is bound by the arbitration provision simply because he had the Lyft app downloaded on his phone. This court is not inclined to extend the provisions of the Lyft app contract in this particular context.

B. Plaintiff's claims against Lyft do not arise out of a business or contractual relationship created by the Terms of Service in the Lyft application.

Since an arbitration agreement originates from a contract, a party cannot be required to arbitrate a dispute to which he did not agree. *See Aiken v. World Fin. Corp. of South Carolina*, 373 S.C. 144, 149 (2007) (citing *Zabinski v. Bright Acres Associates*, 346 S.C 580, 596–97). In order to determine whether an arbitration agreement applies to a claim, the court will analyze whether a “significant relationship” exists between the alleged claims and the contract in which the arbitration clause is contained. *Id.*

In this case, Plaintiff alleges that Defendant Lyft is vicariously liable for the actions of Defendant White under *respondeat superior*. Complaint at ¶ 33. Plaintiff also alleges that Defendant Lyft was negligent in inadequately training and supervising agents or employees and negligently hiring unqualified agents or employees, among other allegations. *Id.* at ¶ 34(a)–(h). As previously discussed, *supra*, Defendant Lyft’s own TOS clearly define the scope of the agreement, and the opening paragraph explicitly states when the TOS govern and apply. *See* Def.’s Mot. to Stay & Compel Arbitration, Ex. E, at 1.

This Court finds that Lyft’s TOS are not triggered regarding the subject incident and Plaintiff’s claims. Plaintiff does not allege any breach of the TOS, or reference the TOS whatsoever, in his Complaint. Plaintiff is not alleging a dispute with the Lyft Platform or Rideshare Services, and Plaintiff was not utilizing the Lyft Platform or its Rideshare Services at the time of the subject collision. Plaintiff’s claims against Lyft fall first under *respondeat superior* and arise second out of Lyft’s negligence in hiring, supervising, and retaining agents or employees. *See* Complaint at ¶ ¶ 33, 34(a)–(h). Plaintiff’s claims do not stem from his use of either the Lyft Platform or its Rideshare Services. As there is no link between Plaintiff’s claims in his Complaint and the TOS, there is no “significant relationship” between the contract containing the arbitration clause and the allegations within this Complaint as required by the South Carolina Supreme Court

in *Aiken v. World Finance Corporation of South Carolina*. Therefore, Defendant Lyft's TOS do not apply.

II. THE ARBITRATION CLAUSE IS UNCONSCIONABLE AND THEREFORE UNENFORCEABLE.

Even if the Terms of Service ("TOS") did apply, which this Court finds they do not, the arbitration clause found within the TOS would be unenforceable as unconscionable under South Carolina law. "In conducting an unconscionability inquiry, courts may only consider the provisions of the arbitration agreement itself, and not those of the whole contract." *Smith v. D.R. Horton*, 417 S.C. 42, 48 (2016). Unconscionability, as it pertains to a contractual arbitration clause, is defined as the absence of meaningful choice on the part of one party due to one-sided contract provisions, together with terms that are so oppressive that 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 (2007). "Whether one party lacks meaningful choice in entering into the arbitration agreement at issue typically speaks to the fundamental fairness of the bargaining process." *Gladden v. Boykin*, 402 S.C. 140, 148 (2013). If a court as a matter of law finds any clause of a contract to have been unconscionable at the time it was made, the court may refuse to enforce the unconscionable clause or so limit its application as to avoid an unconscionable result. S.C. Code Ann. § 36-2-302(1) (2003). In determining whether an arbitration clause is unconscionable, South Carolina courts consider both the absence of meaningful choice and whether the clause contains oppressive, one-sided terms. *Simpson*, 373 S.C. at 25.

Unsurprisingly, arbitration clauses are often found in contracts of adhesion. An adhesion contract is a standard form contract offered on a "take-it-or-leave it" basis with terms that are not negotiable. *Munoz v. Green Tree Fin. Corp.*, 343 S.C. 531, 541 (2001). And while an arbitration clause in an adhesion contract is not *per se* unconscionable, it is a strong indication that there was

a lack of meaningful choice in negotiating the terms of the contract and is met with “considerable skepticism” by courts. *Simpson*, 373 S.C. at 25. In determining whether there was an absence of meaningful choice between parties, the South Carolina Supreme Court in *Simpson v. MSA of Myrtle Beach, Inc.*, considered whether the arbitration clause was included in a contract of adhesion between a commercial entity and a consumer, whether the consumer lacked the business judgment necessary to make her aware of the implications of the arbitration agreement, and whether the consumer had a lawyer present to provide any assistance in the matter. 373 S.C. at 27.

In determining whether an arbitration clause is unconscionable and therefore unenforceable, South Carolina courts will also consider whether the clause contains oppressive and one-sided terms. *Id.* at 25. In *Huskins v. Mungo Homes, LLC*, the South Carolina Supreme Court found that an arbitration clause in a contract which shortened the statute of limitations for any claim brought was void and illegal as a matter of public policy and thus unenforceable as it violated S.C. Code Ann. §15-3-140 (2005). 444 S.C. 592 (2024). S.C. Code Ann. §15-3-140 (2005) forbids and renders void any contract clauses attempting to shorten the legal statute of limitations. The Court in *Simpson* found that the arbitration clause’s limitation on statutory remedies was oppressive and one-sided. 373 S.C. at 28–30. Furthermore, courts have found that sections of arbitration clauses that purport to shorten the statute of limitations are material to the whole of the arbitration clause and have declined to salvage the remaining sections of the arbitration requirement, instead finding the entire arbitration provision unenforceable. *Huskins v. Mungo Homes, LLC*, 444 S.C. 592, 597 (2024). The Court in *Damico v. Lennar Carolinas, LLC*, went as far to say that severing terms from an unconscionable contract of adhesion discourages fair, arms-length transactions and would encourage sophisticated parties to intentionally insert unconscionable terms in the contract. 437 S.C. 596, 604 (2022).

Here, the TOS agreement between the Plaintiff and Defendant is clearly an adhesion contract. The TOS were not negotiable on the Plaintiff's behalf and were presented to him on a "take-it-or-leave-it" basis. As Defendant Lyft concedes in its Motion, "[a] user cannot access the Lyft software platform without first creating a Lyft user account and cannot request or purchase rideshare services through the Lyft App unless they have affirmatively accepted Lyft's Terms of Service." *See* Def.'s Mot. to Stay & Compel Arbitration, Ex. A, at ¶ 8. Plaintiff did not have the business judgment to understand the effect of the arbitration clause contained in the TOS, and did not have counsel present to provide assistance during the account creation process. The arbitration clause is also found in section 17 of the subject TOS while containing several oppressive and one-sided terms.

First, section 15 of the TOS contains broad language purporting to exempt Lyft from virtually all liability, stating "IN NO EVENT WILL LYFT . . . BE LIABLE TO YOU FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL, OR INDIRECT DAMAGES . . . ARISING OUT OF OR IN CONNECTION WITH THE LYFT PLATFORM, THE RIDESHARE SERVICES, OR THIS AGREEMENT, HOWEVER ARISING INCLUDING NEGLIGENCE." Def.'s Mot. to Stay & Compel Arbitration, Ex. E, at 15. This provision essentially renders Lyft immune from liability under any scenario, which is impermissibly onerous.

Second, the arbitration clause contains additional oppressive and one-sided terms including the waiver of a jury trial, inability to appeal an arbitration decision, and inability to participate in a class action. And third, the arbitration provision is buried within a 38-page document and is inconspicuous in nature, particularly when viewed on a mobile device as most users would experience it. *See* Def.'s Mot. to Stay & Compel Arbitration, Ex. E, at 16–23.

As the subject TOS is a contract of adhesion, this Court determines that Plaintiff lacked meaningful choice and could not negotiate its terms, and that the arbitration clause contains several oppressive and one-sided terms. For these reasons, the arbitration clause of the TOS is unconscionable, and thus unenforceable.

Based on the foregoing evidence, this Court determines Defendant Lyft's Motion to Stay and Compel Arbitration is **DENIED**.

AND IT IS SO ORDERED.

The Honorable Jennifer B. McCoy

Charleston, South Carolina
August __, 2025



Charleston Common Pleas

Case Caption: David White VS Lyft Inc , defendant, et al

Case Number: 2024CP1006252

Type: Order/Stay

So Ordered

s/Jennifer B. McCoy #2764