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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM GREENVILLE COUNTY
Court of Common Pleas

William C. McMaster III, Circuit Court Judge

Appellate Court Case No. 2025-001203
Court of Common Pleas Case No. 2023-CP-23-00189

Icon Custom Masonry, Inc. ..... Respondent,

v.

The Settlement, LLC, Levi Grantham, LLC, and
Atlantic Specialty Insurance Company ..... Defendants

of which

The Settlement, LLC and Levi Grantham, LLC are the ..... Appellants.

BRIEF OF RESPONDENT

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TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

Statutes

Rules

Other Authorities

STATEMENT OF ISSUES ON APPEAL

1. Whether the Arbitrator manifestly disregarded South Carolina's mechanic's lien law or misapplied the statutes in calculating damages or identifying the prevailing party, such that vacatur or modification was required?

2. Whether the Arbitrator's attorney's fee award was the result of manifest disregard of the law due to alleged failure to make findings as to each *Jackson* factor in his award?

3. Whether the circuit court erred in affirming the arbitration award where no clear mathematical error or manifest disregard of the law existed, and the Arbitrator acted within the scope of his authority?

STATEMENT OF THE CASE AND THE FACTS

This appeal arises from the Order of the Honorable William C. McMaster III, dated June 5, 2025, granting Icon Custom Masonry, Inc.'s ("Icon" or "Respondent") Motion to Confirm Arbitration Award and denying Appellants The Settlement, LLC (the "Settlement") and Levi Grantham, LLC ("Levi Grantham") (collectively "Appellants")[1] Motion to Vacate, or in the Alternative, Modify or Correct Arbitration Award. (R. pp. 8-18).

—FACTUAL AND PROCEDURAL BACKGROUND—

Contractual Relationship

Icon is a masonry contractor that entered into a binding contract with Levi Grantham to construct five wayfinding monument columns at a residential development known as The Settlement in Simpsonville, South Carolina. (R. pp. 82-84). Initially, Icon was retained to obtain permits for a signage barn and five wayfinding monument columns at the Project. (R. p. 84-85). Levi Grantham later retained Icon solely for the five wayfinding monuments, excluding the signage barn. (R. p. 84-85).

Icon's scope of work included both permitting for and erection of the wayfinding monuments (sometimes referenced both herein and in the Interim Award as "columns"). Levi Grantham contracted with Icon for permitting and installation of the monuments in late May 2022. (R. p. 84). Work to obtain permits and materials began immediately, and actual on-site work occurred from August 8 to August 18, 2022. (R. pp. 84-85). When Icon's crew arrived they were informed that only four monuments could begin due to a utility conflict with the fifth. (R. p. 84). Icon completed approximately seventy-five percent (75%) of the four monuments,

[1] For purposes of the record on appeal, Icon was sometimes referred to by the Arbitrator as the "Claimant" while The Settlement and Levi Grantham were sometimes referred to by the Arbitrator as "Respondents." These designations pertain only to the arbitration proceedings and do not reflect the Parties' current status before this Court.

with the primary remaining work consisting of sign installation, ceiling boxing, and punch-list items. The fifth monument was never constructed. (R. p. 85). Icon intended to return to complete the four monuments upon resolution of the fifth monument location. (R p. 84).

Procedural Background

Icon submitted an invoice on August 26, 2022, for $116,437.50, representing 75% completion of the four monuments and permitting/engineering costs. (R. p. 84). Subsequent invoices were submitted on October 20, 2022, for $11,500.00 (engineering and permits for the signage barn) and $25,597.50 (other work and materials for the fifth monument). (R. p. 85).

To protect its rights, Icon timely filed a mechanic's lien in the amount of $153,445.00 on November 10, 2023, in the Greenville County Register of Deeds' Office to secure payment for the labor, materials, and services, it provided. (R. pp. 26-32). Icon also issued a payment demand under S.C. Code Ann. § 27-1-15. (R. pp. 33-34). Subsequently, on January 17, 2023, Icon filed suit asserting claims for breach of contract, quantum meruit, violation of S.C. Code Ann. § 27-1-15, and mechanic's lien foreclosure. (R. pp. 20-25).

Appellants answered on April 7, 2023, asserting counterclaims seeking to vacate the mechanic's lien and alleging breach of contract, breach of warranty and negligent misrepresentation. (R. pp. 37-50). On October 11, 2023, Appellants also moved to compel arbitration, which the trial court granted on December 20, 2023, staying the lawsuit and referring the matter to arbitration administered by the American Arbitration Association (AAA). (R. pp. 1-7). The Parties selected Franklin J. Smith, Jr., Esq., to serve as arbitrator (the "Arbitrator"). This matter then proceeded to arbitration (AAA Case No. 01-24-0005-8744).

—ARBITRATION PROCEEDINGS—

Icon's Claims and Damages

Icon contended that it was owed $11,500.00 for obtaining permits and engineering for the signage barn and $142,035.00 for work related to the monuments, totaling $153,445.00. (R. p. 83). Icon asserted: (i) a mechanic's lien claim against The Settlement for $153,445.00; (ii) a breach of contract claim against Levi Grantham for $153,445.00; (iii) a quantum meruit claim against both Appellants; and (iv) claims for interest and attorney fees under both the mechanic's lien statutes and S.C. Code Ann. § 27-1-15. (R. p. 83). Icon performed all necessary permitting and engineering for the monuments, delivered materials for the unbuilt fifth column, and partially completed work on four columns. (R. p. 87).

The Settlement and Levi Grantham's Defenses

The Settlement and Levi Grantham contended that: (i) there was no contract with Icon regarding the signage barn; (ii) Icon only partially installed four monuments and was not entitled to payment until completion; (iii) Icon wrongfully abandoned the work, barring recovery on the breach of contract claim; and (iv) Icon's maximum recovery under the mechanic's lien was from $88,600.00 to $89,550.00. (R. p. 83). The Settlement and Levi Grantham also sought attorney fees under the mechanic's lien statutes. (R. p. 83).

Offers of Settlement

Prior the arbitration evidentiary hearing, the Parties filed with Offers of Settlement with the trial court. On November 6, 2024, Icon filed its offer pursuant to S.C. Code Ann. § 29-5-10(b), offering to accept $127,750.00 from The Settlement and/or Levi Grantham to settle the dispute. (R. p. 57). On November 13, 2024, The Settlement and Levi Grantham responded with an offer in the amount of $90,000.00 pursuant to S.C. Code Ann. §§ 29-5-10(b) and/or 29-5-

20(c). (R. pp. 58-59). The evidentiary hearing was held before the Arbitrator on November 25 and 26, 2024. (R. p. 82).

Interim Award

Following the evidentiary hearing, the Arbitrator issued a detailed interim award (the "Interim Award") on December 20, 2024, which held, *inter alia*, that: (1) Levi Grantham breached its contract with Icon by refusing to honor the Parties' agreed price of $29,850.00 per monument; (2) Levi Grantham's attempt to negotiate a new price per monument after a price had been accepted and the work had been partially performed violated the implied covenant of good faith and fair dealing in contracts; (3) Icon was justified in abandoning its work because of Levi Grantham's breach of contract; and (4) Levi Grantham continued its lack of good faith and fair dealing when it refused to pay anything to Icon even though it admitted some amount was owed. (R. pp. 85-87). The Interim Award further awarded Icon the amount of $114,157.04, adjusting for The Settlement and Levi Grantham's costs to complete the four partially completed columns. (R. pp. 85-87). In the Interim Award, the Arbitrator further ordered the Parties to submit post-interim award briefs within thirty (30) days on interest, attorney's fees and arbitration costs, to allow the Arbitrator to address the mechanic's lien prevailing party issue separately so that the non-prevailing party could respond regarding attorney's fees and costs. (R. p. 87).

The Settlement and Levi Grantham requested clarification or modification of the Interim Award on December 30, 2024, which Icon opposed, and the request was denied by the Arbitrator on January 10, 2025. (R. pp. 88-91).

Prevailing Party

Based on the Interim Award issued on December 20, 2024, both Parties (i.e., Appellants and Respondent) claimed to be the prevailing party under South Carolina's mechanic's lien

statute, S.C. Code Ann. § 29-5-10, *et seq*. Icon sought attorney's fees and costs as the prevailing party under both S.C. Code Ann. §§ 29-5-10(b) and 27-1-15, arguing not only that the Interim Award was closer to Icon's Offer of Settlement but also that The Settlement and Levi Grantham failed to conduct a reasonable investigation and refused to pay undisputed amounts. (R. p. 92). On the other hand, The Settlement and Levi Grantham argued they were the prevailing party because Icon allegedly filed is Offer of Settlement under the wrong statute (i.e., the Contractor's lien statute, § 29-5-10, instead of the Subcontractor's lien statute, § 29-5-20), and claimed that Icon was not entitled to attorney fees and costs under the mechanic's lien statutes. (R. p. 92). On February 3, 2025, the Arbitrator issued an Order on Prevailing Party. (R. pp. 92-93).

The Arbitrator examined the relationship between Levi Grantham and The Settlement, finding that both entities were in "ownership roles" and that The Settlement consented to the work. (R. p. 93). Further, Levi Grantham's contention that it acted as a general contractor was not supported by the evidence. (R. p. 93). Consequently, the Arbitrator determined that Icon properly filed its lien under the Contractor's lien statute, § 29-5-10. (R. p. 93). Offers of Settlement were also considered. Icon's offer of $127,750.00 was closer to the Interim Award of $114,157.04 than The Settlement and Levi Grantham's offer of $90,000. Accordingly, Icon was determined to be the prevailing party under the mechanic's lien statute and entitled to recover reasonable attorney's fees and costs. (R. pp. 92-93).

Additionally, under S.C. Code Ann. § 27-1-15, the Arbitrator found that Icon properly made a demand for payment, The Settlement and Levi Grantham admitted some amount was owed, but failed to pay any portion. (R. p 93). Therefore, The Settlement and Levi Grantham were found liable for attorney's fees under § 27-1-15. (R. p. 93). The Parties were then given the

opportunity to respond regarding the amount of fees and costs requested by Icon, prior to the Arbitrator's issuance of the Final Award. (R. p. 93).

Final Award

The Parties submitted briefs regarding interest, attorney's fees and costs. (R. p. 98). Icon also submitted all of its invoices for in-camera review by the Arbitrator. (R. p. 98). After reviewing detailed invoices and applying statutory and contractual limitations, the Arbitrator issued a Final Award on February 28, 2024, awarding Icon **$64,736.50** in reasonable attorney's fees, **$17,001.90** in costs, and **$49,262.50** in interest on the Interim Award of **$114,157.04**. (R. pp. 98-100). This included reimbursement for previously paid arbitration administrative fees.

The Final Award totaled **$245,157.94**, representing the Interim Award, interest, attorney's fees, and costs (the "Award"). (R. pp. 99-100). The Award directed The Settlement and Levi Grantham to pay this amount within thirty (30) days and confirmed that it was in full settlement of all claims submitted to the arbitration, with all claims not expressly granted being denied. (R. p. 100).

—CURRENT POSTURE—

Icon timely filed a Motion to Confirm the Award on March 13, 2025. (R. pp. 60-62). On April 1, 2025, The Settlement and Levi Grantham filed a motion to vacate or modify the Award. (R. pp. 67-81). After a hearing on May 30, 2025, the circuit court confirmed the Award in full on June 16, 2025, and denied The Settlement and Levi Grantham's motion to vacate or modify. (R. pp. 8-18).

This appeal followed.

STANDARD OF REVIEW

"When the attack on [an] [arbitration] award claims the arbitrator failed to follow controlling law, [courts] may only vacate the award where the arbitrator knew of a well-defined, explicit, and clearly applicable controlling law, yet still refused to apply it." *Waldo v. Cousins*, 442 S.C. 662, 665, 901 S.E.2d 276, 277–78 (2024) (citing *C-Sculptures, LLC v. Brown*, 403 S.C. 53, 56, 742 S.E.2d 359, 360 (2013); *Gissel v. Hart*, 382 S.C. 235, 241, 676 S.E.2d 320, 323 (2009)). An arbitrator is deemed to have exceeded their authority only when they manifestly disregard or willfully misconstrue the law – not for mere legal error. *Id.* "This complements the well-known rule that the form of the award need not be accompanied by any reasoning, so long as the award can be reconciled with factual inferences and legal conclusions that are at least 'barely colorable.'" *Id.* (citing *Trident Tech. Coll. v. Lucas & Stubbs, Ltd.*, 286 S.C. 98, 111, 333 S.E.2d 781, 789 (1985) (internal quotations omitted)).

Section 15-48-140(a)(1) provides that "the court shall modify or correct the award where [t]here was an evident miscalculation of figures or an evident mistake in the description of any person, thing or property referred to in the award." S.C. Code Ann. § 15-48-140(a)(1). An "evident miscalculation of figures" occurs where an arbitrator commits a mathematical error in computing the total amount of the award, not when an arbitrator makes a conscious decision as to the amount to be awarded. *See e.g.*, *Lauro v. Visnapuu*, 351 S.C. 507, 570 S.E.2d 551 (Ct. App. 2002) ("Even if the arbitrator's decision in this regard [in applying the law] was erroneous, it does not constitute an evident miscalculation of figures envisioned under § 15-48-140. That is, the arbitrator did not commit a mathematical error in computing the total amount of the award.").

ARGUMENT

Unable to accept the outcome of the binding arbitration they willingly agreed to, Appellants now turn to this Court in an effort to relitigate the merits under the guise of judicial review. The arbitration process was thorough, the award reasoned, and the result final. Rather than honor that result, Appellants invoke the narrow doctrine of "manifest disregard of the law," not as it is actually defined under South Carolina law, but as a catch-all for disagreements with the arbitrator's legal and factual conclusions. Appellants further attempt to cloak their dissatisfaction in claims of "evident miscalculation," but their arguments reveal their own fundamental misunderstanding of the strict limitations on judicial review of arbitration awards. As our Supreme Court has recognized, "[a]rbitration is designed to be the end, not the beginning, of legal wrangling, and our strict manifest disregard standard for vacatur honors this design by ensuring the legal end is not a lawless one." *Waldo*, 442 S.C. at 668–69, 901 S.E.2d at 279.

Stripped of its formalistic veneer, this appeal seeks only to substitute the Appellants' own preferences for the considered judgment of the Arbitrator. There is no indication of manifest disregard of the law, no factual insufficiency, and no procedural infirmity that would justify judicial intervention. To the contrary, the Award reflects a deliberate and informed exercise of discretion, appropriately balancing statutory requirements with the practical realities of the Parties' relationships and performance. Appellants' insistence on recharacterizing settled findings and ignoring the deference owed to arbitration undermines the finality and integrity of the arbitral process yet offers no legitimate basis for relief. In essence, this appeal is not grounded in law, but in dissatisfaction. Dissatisfaction alone does not suffice to overturn a reasoned and lawful arbitral decision.

This appeal exemplifies precisely what South Carolina law seeks to prevent: an attempt to transform a binding arbitration into a preliminary skirmish before the courts. Arbitration is intended to bring finality, efficiency, and closure. It does not invite a second forum for an unsuccessful party to reargue its case. South Carolina law does not permit appellate-style review of an arbitrator's factual findings or legal conclusions, and Appellants' attempt to expand "manifest disregard" into a vehicle for ordinary error correction defies both precedent and principle. There is nothing extraordinary about this case, and nothing in the law or the facts that warrants disturbing the Arbitrator's reasoned and final award.

I. The Arbitrator neither manifestly disregarded South Carolina's mechanic's lien law nor did he misapply the statute in calculating damages or identifying the prevailing party, such that vacatur was required.

Appellants' request for vacatur or modification is unfounded. Each of their claims rest on a misinterpretation of the Arbitrator's authority, South Carolina's mechanic's lien statutes and the law governing judicial review of arbitral awards, as the following subsections demonstrate.

A. S.C. Code Ann. § 15-48-130(a)(3) is inapplicable to the arguments raised by Appellants.

As an initial matter, Appellants reliance on § 15-48-130(a)(3) to support their assertion that the Arbitrator "exceeded his powers" is both misplaced and legally unsupported, reflecting Appellants' fundamental misunderstanding of the narrow and deferential standard governing judicial review of an arbitral award.

An arbitrator exceeds their powers only when deciding issues not submitted for arbitration or outside the scope of the arbitration agreement. *See Harris v. Bennett*, 332 S.C. 238, 243, 503 S.E.2d 782, 785 (Ct. App. 1998) ("Our Supreme Court has clearly stated that arbitrators exceed their powers only if the issue resolved by them is not within the scope of the agreement to arbitrate."); *see also Pittman Mortg. Co. v. Edwards*, 327 S.C. 72, 76-77, 488 S.E.2d 335, 338

(1997) ("The question of whether arbitrators have exceeded their powers relates to the arbitrability of the issue they have attempted to resolve…. A party may not attempt to relitigate the merits of the arbitrators' resolution of the arbitrable issues under the guise of questioning the arbitrators' power.").

Despite their framing, Appellants are not actually challenging the *arbitrability* of any claim—the only circumstance under which an arbitrator could be said to have "exceed their powers" under § 15-48-130(a)(3). Instead, they dispute the Arbitrator's resolution of issues they expressly agreed to submit to arbitration. However, Parties may not mask disagreement with the outcome in the language of jurisdictional overreach. The Arbitrator was empowered to resolve claims for payment, determine prevailing party status, and award attorney's fees—matters squarely within the scope of the Parties' agreement. The suggestion that the Arbitrator somehow exceeded his authority by resolving those very issues is not a proper legal argument for review of an arbitral award; it is merely an attempt to recast merit-based objections as a question of power, in direct contravention of settled South Carolina law.

Nothing in the records shows the Arbitrator exceeded his jurisdiction or resolved issues outside the scope of the arbitration clause. Accordingly, the "exceeded their powers" argument fails at the threshold.[2]

Turning to Appellant's remaining contentions regarding "manifest disregard" and "evident miscalculation of figures," those arguments fare no better under the applicable legal standard.

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[2] Appellants argue that the arbitrator exceeded his powers by applying equitable estoppel, but notably, they do not contend that issue before the arbitrator was non-arbitrable or outside the scope of the arbitration agreement. Instead, Appellants challenge *how* the arbitrator decided these issues, which constitute the merits or procedural objections rather than jurisdiction or arbitrability. Nonetheless, as addressed in *Infra* Section I, C., the Arbitrator properly raised and considered that issue.

B. Appellants' "actual use" argument misconstrues the mechanic's lien statute and does not demonstrate manifest disregard of the law.

Appellants' argument regarding "manifest disregard" relies entirely on the faulty premise that South Carolina law imposes a bright-line requirement that materials *must* be "actually used" or physically incorporated into the property in order to be lienable under the mechanic's lien statute. That is not, and has never been, the controlling standard. South Carolina courts have long recognized that mechanic's liens arise inchoate at the time labor is performed or materials are furnished, and only later mature through proper filings. *See Preferred Sav. & Loan Ass'n, Inc. v. Royal Garden Resort, Inc.*, 301 S.C. 1, 3, 389 S.E.2d 853, 854 (1990) (citing *Williamson v. Hotel Melrose*, 110 S.C. 1, 96 S.E. 407 (1917)).

To require physical incorporation in every case as a bright-line rule would not only contradict this principle but would also invite manipulation by property owners seeking to avoid lien liability. Such a rule would create perverse incentives: a disgruntled owner could simply remove or discard materials delivered to the site, or strategically cancel a phase of work after delivery, then argue that the materials were never "used," thereby avoiding payment.

In fact, our Supreme Court has expressly upheld mechanic's liens based on materials purchased and furnished, even though they were never actually used on the property. *See e.g.*, *Hodge v. First Federal Sav. and Loan Ass'n of Spartanburg*, 267 S.C. 270, 227 S.E.2d 310 (1976) (holding that a mechanic's lien may be valid even if materials are not actually used or incorporated into the property, so long as they were furnished through an agent with the owner's consent and intended for the improvement of the property). In *Hodge*, the South Carolina Supreme Court affirmed a mechanic's lien award even though the materials in question were never actually delivered to or used in the construction of the property. There, the Court held that the statutory requirement under former § 45-259, that a lien must be filed within 90 days after

materials are "furnished," was satisfied when materials were purchased in the ordinary course by a contractor acting as the owner's agent, regardless of whether the materials were ultimately used at the job site. *Hodge* directly undermines the Appellant's claim that "actual use" or incorporation is a strict requirement for liability under South Carolina law. More importantly, it undermines any notion that the Arbitrator manifestly disregarded the law.

Next, section 29-5-10(a) defines "labor performed or furnished" in the erection, alteration or repair of any building or structure upon any real estate to include: "the preparation of plans, specifications, and design drawings and the work of making the real estate suitable as a site for the building or structure." S.C. Code Ann. § 29-5-10(a). Permitting, engineering and related professional services clearly fall within this definition, as they constitute "labor performed or furnished" in the work of "making the real estate suitable as a site for the building or structure" for purposes of supporting the mechanic's lien. *See Williamson*, 110 S.C. 1, 96 S.E. 407 (construction administrative services are type of labor for which a mechanic's lien may be filed under the mechanic's lien statute); *see also Spriggs Group, P.C. v. Slivka*, No. 2013-UP-497, 2013 WL 10343401 (Ct. App. Feb. 6, 2013) (same). In fact, engineers and architects often file mechanic's liens, even though their contributions may be limited to providing plans, drawings or oversight, without ever lifting a shovel or swinging a hammer.

Appellants rely heavily on *Kitchen Planners I* to support their "actual use" argument. *Kitchen Planners, LLC v. Friedman*, 432 S.C. 267, 851 S.E.2d 724 (Ct. App. 2020) (*Kitchen Planners I*), *aff'd as modified*, 440 S.C. 456, 892 S.E.2d 297 (2023) (*Kitchen Planners II*). In *Kitchen Planners I*, this Court noted Kitchen Planners assertion that the owner should be estopped from avoiding the lien but declined to consider this argument as it was raised for the first time on appeal. *Kitchen Planners I*, 432 S.C. at 282, 851 S.E.2d at 733. While the Court of

Appeals did not address the merits of estoppel, it did not reject the doctrine outright either. *Id.* Furthermore, in *Kitchen Planners II* the Supreme Court *removed the "actual use" discussion entirely*. This strongly demonstrates that the high court declined to adopt or endorse a bright-line "actual use" standard, particularly under circumstances involving both owner consent and good-faith delivery.

To agree with Appellants to deny lien rights under these facts would improperly shift the risk of loss on Icon, contrary to both commercial fairness and the protective intent behind the mechanic's lien statute. Instead, the facts of each case must be applied to the law, which is precisely what the Arbitrator did here:

> All of Icon's work was performed with the understanding that Icon was to install five monuments. Therefore, all of these labors and materials were provided for the improvement of the owner's property including the materials left on site to construct the fifth monument. Since Levi later decided to not install the fifth monument, ***the estoppel doctrine prohibits Levi from arguing that the materials for the fifth monument were not provided for the improvement of its property.***
>
> (R. p. 10; R. p. 90) (emphasis added).

This is akin to a dispute over when a statute of limitations begins to run. The three-year limitations period for most causes of action is black-letter law in South Carolina. If an arbitrator were to ignore that and say: "I know the statute of limitations is three-years under South Carolina law, but I am going to apply a five-year limitations period instead," that would certainly be a manifest disregard of the law—a blatant refusal to apply controlling legal authority. But suppose the facts are changed in that a suit was filed January 1, 2025. One party argues that the statute began to run before January 1, 2022. The other side argues that it ran after January 1, 2022. The arbitrator (as fact finder) may examine testimony, documents, and competing inferences to determine just *when* the limitations clock began, say January 2, 2022, instead of December 31, 2021.

The arbitrator in this case carefully evaluated the facts, contract documents, testimony of witnesses, and arguments to reach conclusions within the bounds of the law. Here, the Arbitrator was well aware of the "actual use" requirement set out in § 29-5-10, but reasonably concluded, based on the unique factual circumstances, that inclusion of certain items in Icon's lien was justified: (i) the fifth column and related materials were clearly delivered with intent to incorporate into the improvement; (ii) The Settlement consented to the materials and benefited from the permitting and engineering services; and (iii) Levi Grantham and The Settlement later prevented completion of the column and rejected work after performance by Icon had commenced. (R. pp. 92-93). The Arbitrator found The Settlement and Levi Grantham to be equitably estopped from contesting inclusion of those amounts—a theory rooted in fairness and supported by the evidence. (R. p. 90). The Arbitrator was entitled to apply equitable doctrines based on the full record before him.

The Arbitrator's conclusions may certainly be subject to disagreement; a court might even have reached a different result. Nonetheless, that it is not the standard of review. As in *Trident*, Appellants distort the meaning of the "manifest disregard" standard:

> Appellant asserts that the courts have not hesitated in appropriate cases to vacate an arbitration award where there is a manifest disregard or perverse misconstruction of the law. While this is certainly true*, those cases have been exceedingly rare, requiring circumstances far more egregious than mere errors in interpreting or applying the law*. Indeed, the cases relied upon by appellant all contain the explicit caveat that the nonstatutory ground of 'manifest disregard' of the law as a basis for vacating arbitration awards ... presuppose[s] something beyond and different from a mere error of law or failure on the part of the arbitrators to understand or apply the law. Even assuming arguendo that the arbitrators did erroneously apply the law in the various particulars alleged by appellant, these legal errors would be insufficient to constitute manifest disregard of the law under the pertinent cases.

Trident Technical College, 286 S.C. at 108-09, 333 S.E.2d at 787 (internal citations and quotations omitted) (emphasis added).

This case is precisely the kind of fact-intensive discretionary judgment that arbitration is designed to resolve, and courts are not permitted to second-guess such determinations simply because one side believes the Arbitrator should have seen things differently, even if the reviewing court itself may have reached a different conclusion. A legal error is not a basis for vacatur unless it is clearly intentional and meets the strict test of manifest disregard.

Accordingly, Appellants' argument that the arbitrator included amounts not lienable under South Carolina mechanic's lien statute amounts to nothing more than dissatisfaction with the outcome, not evidence of a willful or knowing disregard of the law. This falls well short of the "manifest disregard" standard, which demands more than legal error; it demands legal defiance. Neither the record nor the law supports such a finding here.

The Arbitrator applied the law thoughtfully, grounded his conclusions in the evidence, and acted well within the bounds of his authority. To overturn such a reasoned decision under the guise of "manifest disregard" would not preserve justice but subvert the very finality and deference that arbitration is designed to ensure.

C. The Arbitrator acted within his broad authority under the AAA Rules and the Parties' agreement in finding that Appellants were estopped from contesting the lien amount.

Next, it is undisputed that this case was submitted to arbitration in accordance with the American Arbitration Association (AAA), Construction Industry Rules & Mediation Procedures (AAA 2024)[3] pursuant to the terms of the Parties' underlying agreement. Under the AAA's procedural framework, arbitrators possess broad authority not only to decide disputes on their merits but also to rule on their own jurisdiction and procedural matters. Rule R-9 explicitly

[3] The AAA promulgates various sets of rules tailored to different types of disputes. For purposes of this brief, any reference to the AAA rules shall specifically mean the "American Arbitration Association, Construction Industry Arbitration Rules & Mediation Procedures (AAA 2024)."

grants arbitrators the power to determine issues related to the existence, scope, and validity of the arbitration agreement itself, and requires parties to timely object to jurisdictional or arbitrability issues by filing an answering statement or counterclaim. R-9, American Arbitration Association, Construction Industry Arbitration Rules & Mediation Procedures (AAA 2024).

Here, the procedural record shows that Icon filed the demand initiating arbitration, and Appellants timely filed an answering statement as allowed by Rule R-4(c)(i). R-4, American Arbitration Association, Construction Industry Arbitration Rules & Mediation Procedures (AAA 2024). Importantly, there is no requirement under the AAA rules that a party even file an answering statement, let alone that Icon file any reply or assert affirmative defenses in response to Appellants' answering statement. *See Id*. This flexible procedural framework underscores arbitration's informal and efficient nature, which permits arbitrators broad discretion to consider all issues necessary for a just resolution, regardless of whether they are formally plead.

The Arbitrator's application of equitable estoppel in this case exemplifies the breadth of authority conferred under the AAA Rules and is entirely consistent with Rule R-38 and Rule R-49 of the American Arbitration Association, Construction Industry Arbitration Rules & Mediation Procedures.

Rule R-38 (Interim Measures) empowers the arbitrator to take whatever interim measures are necessary, including injunctive relief and protective actions, in whatever form the arbitrator deems appropriate, such as interim awards. *See* R-38, American Arbitration Association, Construction Industry Arbitration Rules & Mediation Procedures (AAA 2024). This authority is not limited by formal pleading requirements, allowing arbitrators to act proactively to preserve rights, conserve property or otherwise manage the arbitration proceedings effectively. Likewise, Rule R-49 (Scope of Award) explicitly permits the arbitrator to grant "any remedy or relief that

the arbitrator deems just and equitable and within the scope of the agreement of the parties, including, but not limited to, equitable relief and specific performance of a contract." Rule R-49, American Arbitration Association, Construction Industry Arbitration Rules & Mediation Procedures (AAA 2024) (emphasis added). This comprehensive remedial power allows an arbitrator to issue final, interim, interlocutory or partial rulings and to apportion costs, expenses and attorney's fees[4] as appropriate and permitted by law or agreement.

Because the AAA Rules prioritize efficiency, flexibility and fairness, the Arbitrator was fully authorized to consider and apply equitable estoppel based on the evidence and testimony presented at the arbitration hearing. In doing so, the Arbitrator acted squarely within the scope of his authority to fashion a just and equitable remedy under the Parties' agreement. Arbitration is not a court proceeding governed by rigid procedural formalities; rather, it is a flexible dispute-resolution process designed to allow arbitrators to decide matters on their merits, grounded in both contract and equity.

In sum, Appellants' challenge to the Arbitrator's estoppel finding is simply another veiled attack on the merits of the Award under the guise of legal error. The Arbitrator acted well within the broad jurisdictional and remedial powers conferred by the AAA Rules and the Parties' arbitration agreement and his finding that Appellants were estopped was a proper exercise of that authority and should not be disturbed.

D. The Arbitrator properly applied the contractor's lien statute, § 29-5-10.

Appellants argument regarding the applicability of S.C. Code Ann. §§ 29-5-10 and 29-5-20 in relation to Icon's Offer of Settlement is both legally and factually misplaced and, once again, ignores both the record and established arbitral standards. As this Court has repeatedly

[4] Attorney's fees are discussed in depth-below. *See Infra* Part II.

recognized, an arbitral award may not be disturbed for a mere difference in statutory interpretation or factual findings. *See e.g.*, *Lauro*, 351 S.C. at 520, 570 S.E.2d at 557 (Arbitrator, when declining to award attorney fees to mechanic's lien holder in its contract dispute with homeowners, did not manifestly disregard the law by failing to apply mechanic's lien statute as amended, and thus the circuit court was not justified in modifying award to find that lien holder was prevailing party and thereby entitled to attorney fees.). Applying that standard here, there is simply no basis to overturn the Arbitrator's decision.

Because Appellants rely on a standard inapplicable to the present circumstances, their arguments do not warrant consideration. Nonetheless, even under their flawed framework, their claims fail. Contrary to Appellants' assertion, Icon's reference to § 29-5-10(b) in its Offer of Settlement was proper. The Arbitrator found, based on the record, that: (i) while Icon contracted with Levi Grantham, Icon's work was performed at the direction of The Settlement; (ii) Appellants' assertion disputing this was directly contradicted by their own witnesses regarding the relationship between Levi Grantham and The Settlement; (iii) the plain language of the contractual agreement between Levi Grantham and Icon more closely resembles an owner/general contractor agreement rather than a general contractor/subcontractor agreement; and (iv) both Levi Grantham and The Settlement occupied "ownership roles." (R. pp. 92-93). Accordingly, the Arbitrator correctly applied the contractor's lien statute rather than the subcontractor's lien statute.

Appellants' insistence that Icon's Offer of Settlement should have referenced § 29-5-20 misconstrues the statutory framework. While § 29-5-20 applies to subcontractors performing work merely "authorized" by the owner, § 29-5-10 applies when work is performed with the consent of, or at the direction of, the owner or its authorized agent. *See F & D Elec. Contractors,*

Inc. v. Powder Coaters, Inc., 350 S.C. 454, 567 S.E.2d 842 (2002); *Guignard Brick Works v. Gantt*, 251 S.C. 29, 159 S.E.2d 850 (1968). The Arbitrator determined, based on evidence and witness testimony—including the Appellants' own witnesses—that Icon's work was performed—with the consent of—The Settlement, thus satisfying § 29-5-10. This conclusion is fully supported by the record and entitled to deference.

Furthermore, Appellants' argument fails to account for the practical distinctions between the two lien statutes. The subcontractor's lien statute, § 29-5-20, imposes recovery limitations tied to a general contractor/subcontractor relationship. No such relationship existed here, and thus § 29-5-20 was inapplicable. The Arbitrator correctly concluded that the Contractor's lien statute, § 29-5-10 applied, and that Icon, as the prevailing party, was entitled to recover its reasonable attorney's fees and costs.

In short, Appellants' argument on this appeal, with respect to the prevailing party is merely a repackaging of the same meritless claims rejected at both the arbitration and trial court levels. The Arbitrator made reasoned, fact-based determinations regarding the relationship between the Parties and properly applied the contractor's lien statute. Once again, Appellants have failed to meet the high bar of demonstrating manifest disregard of the law, and the Award should be upheld in full.

E. The Arbitrator's Award reflects substantive judgment, not mathematical error.

Appellants, once more, chase a wrong standard down another rabbit hole—this time with respect to "evident miscalculation of figures." Even indulging their pursuit, the arguments go nowhere.

Under South Carolina law, an "evident miscalculation" refers strictly to mathematical or computational error, not a difference in judgment, methodology, or interpretation of facts. *See*

e.g., Lauro, 351 S.C. 507, 570 S.E.2d 551. Appellants do not identify any actual mathematical or arithmetic error committed by the Arbitrator. Rather, Appellants contest the arbitrator's choice to base damages on the full contract price for four columns instead of limiting damages to the percentage of work completed. This is a direct attack on the Arbitrator's judgment.

Recently, this Court addressed a nearly identical argument in *TCC of Charleston, Inc. v. Concord & Cumberland, LLC*. 446 S.C. 202, 918 S.E.2d 699 (Ct. App. 2025). There, the appellant argued that the arbitrator's award should have been reduced due to amounts allegedly barred by a lien waiver and that the arbitration panel erred in including a disputed stone tower claim. *Id.* at 234, 918 S.E.2d at 717. The Court held that no miscalculation occurred, even where the figures were disputed and the claim was not separately plead, because the arbitrators made reasoned determinations based on the evidence presented:

> The arbitration panel did not miscalculate the figures, award TCC based on matters not submitted to the panel, or provide an imperfect form of award. Therefore, we hold the HPR did not provide evidence of any grounds for modification of the award under section 15-48-140. *See Renaissance Enters., Inc.*, 310 S.C. at 399, 426 S.E.2d at 823 ("It is well settled that arbitrators need not specify their reasoning or the basis of the award so long as the factual inferences and legal conclusions supporting the award are 'barely colorable' and if a ground for the award can be inferred from the facts, the award should be confirmed.").

Id. at 234–35, 918 S.E.2d at 717.[5]

Here, as *TCC* makes clear, the Arbitrator's calculation of damages is a question of the Arbitrator's substantive judgment falling squarely within the arbitrator's broad discretion and

[5] In *TCC of Charleston, Inc. v. Concord & Cumberland, LLC*, 446 S.C. 202, 918 S.E.2d 699 (Ct. App. 2025), the South Carolina Court of Appeals also rejected similar challenges to an arbitration award seeking vacatur through manifest disregard. There, the Court upheld the award, emphasizing that even if the arbitrators relied on claims not explicitly stated there was no manifest disregard of the law where the award was reasonably supported by the evidence and within the broad scope of the arbitration clause. Just as in this case, the appellants in *TCC* sought to reframe their disagreement with the outcome as a legal error, but the court held that such merit-based challenges do not justify vacatur under the narrow manifest disregard standard.

authority. The Arbitrator's Award reflects a conscious, reasoned decision based on a substantive assessment of evidence—not a mechanical miscalculation. The inclusion of the entire contract price for the completed columns and related deductions was a deliberate valuation, not an inadvertent numeric slip up. This type of decision-making is the essence of an arbitrator's role and cannot be equated to the type of evident miscalculation that § 15-48-140(a)(1) contemplates.

Furthermore, Appellant's argument that certain amounts, such as the $4,600 for permitting and materials related to the fifth column, should have been excluded, does not demonstrate a math error but rather a disagreement with the arbitrator's interpretation of what sums were properly lienable or compensable. Such merit-based disagreements do not constitute grounds for modification.

The circuit court correctly recognized that challenging the Arbitrator's methodology or valuation is not a basis for modification under § 15-48-140. Accordingly, the circuit court properly affirmed the Award, and Appellants' request for modification should be denied in full.

II. The Arbitrator's attorney's fee award need not have included any detailed findings whatsoever, let alone enumeration of each *Jackson* factor.

Appellants' challenge to the attorney's fee award misapplies standards that govern judicial awards of attorney's fees to an arbitral context. The suggestion that the Arbitrator exceeded his authority by failing to provide a detailed reasoning of each *Jackson* factor improperly imposes a standard that does *not* apply to arbitration.

While it is true that *Jackson v. Speed*, 326 S.C. 289, 486 S.E.2d 750 (1997), sets forth a requirement that trial courts in South Carolina articulate findings on each of the six *Jackson* factors, that requirement exists to ensure appellate review of judicial orders—not arbitration awards. Again, "arbitrators need not specify their reasoning or the basis of the award…so long as the factual inferences and legal conclusions supporting the award are 'barely colorable.'"

Trident Tech. Coll., 286 S.C. at 111, 333 S.E.2d at 789 (internal citations omitted). This is so because the "scope of judicial review for an arbitrator's decision is among the narrowest known at law because to allow full scrutiny of such awards would frustrate the purpose of having arbitration at all." *Grp. III Mgmt., Inc. v. Suncrete of Carolina, Inc.*, 425 S.C. 141, 149, 819 S.E.2d 781, 785 (Ct. App. 2018) (internal citations and quotations omitted).

With respect to Icon's attorney's fees award, on appeal, Appellants raise issue to two *Jackson* factors: (i) customary legal fees for similar services; and (ii) contingency of compensation. Here, the Arbitrator did not deliberately ignore the *Jackson* factors in determining reasonable attorney's fees. In fact, the record reflects that the Appellants briefed the *Jackson* factors after the Arbitrator determined the prevailing party, but before he fashioned his award. (R. p. 185, line 19-p. 186, line 5). And, the Arbitrator reviewed the detailed billing records and affidavits submitted by Icon prior to issuing the final Award. (R. pp. 98-99). Although the Award does not explicitly list all six *Jackson* factors, the Award does not need to state any rationale whatsoever if it can be aligned with barely colorable factual or legal grounds. *See Waldo*, 442 S.C. at 665, 901 S.E.2d at 278. The attorney's fees award can be reconciled with factual inferences and legal conclusions.

Icon asserted that it was entitled to $71,575.50 in attorney's fees pursuant to S.C. Code Ann. §§ 27-1-15 and 29-5-10. In response, Appellants argued that the *Jackson* factors did not support this amount. (R. p. 186, line 6-p. 187, line 25).

With regard to customary legal fees, Appellants focus on the alleged disparity between their own fees and Icon's. However, this ignores the other *Jackson* factors such as the time devoted to the case and the beneficial results obtained. The fees awarded to Icon were based on actual, documented legal work performed at reasonable rates, not speculative or hypothetical

amounts. (R. p. 198, line 8-p. 199, line 21). Moreover, Appellants were unsuccessful in arbitration, further justifying the Award. The Arbitrator reasonably accounted for these considerations, and Appellants' attempt to substitute their own notion of "customary" fees ignores the reality that arbitrators are not required to provide a line-by-line explanation for lump-sum awards, nor does failing to do so amount to any manifest disregard. (R. p. 198, line 8-p. 199, line 21).

Appellants' argument regarding the "contingency of compensation" factor misstates both the law and the facts. Their reliance on a case involving divorce proceedings where contingency fees are strictly prohibited[6] is misplaced, especially given that the Court recalculated fees to ensure reasonableness, not because fees had not been paid. *Glasscock v. Glasscock*, 304 S.C. 158, 403 S.E.2d 313 (1991). Similarly, Appellants' citation to *Blumberg v. Nealco, Inc.*, 307 S.C. 537, 538–39, 416 S.E.2d 211, 212 (Ct. App. 1992), *opinion modified on denial of reh'g* (Apr. 8, 1992), *aff'd as modified*, 310 S.C. 492, 427 S.E.2d 659 (1993) materially misstates the holding in that case. *Blumberg* simply stands for the proposition that a court cannot award fees entirely unsupported by evidence. When that happens, the issue is to be remanded to the trial court for specific findings of fact. *Id*. at 494, 427 S.E.2d at 661 (1993).

Here—and what Appellants fail to consider—no court fashioned any award of attorney's fees. The Arbitrator did. After review of Icon's billing records and the Parties' arguments, the Arbitrator determined that $64,736.50 constituted a more reasonable award for attorney's fees. The Arbitrator expressly stated that certain fees were deducted as unrelated to recoverable claims and detailed the bases for those deductions. (R. p. 98-99). This clearly demonstrates that the

[6] *See* Rule 407, SCACR; Rule 1.5(d)(1) South Carolina Rules of Professional Conduct ("A lawyer shall not enter into an arrangement for…any fee in a domestic relations matter, the payment or amount of which is contingent upon the securing of a divorce…")

Jackson factors were considered, even if not explicitly enumerated. Regardless, again, no enumeration is required.[7] Moreover, disagreement with how the Arbitrator weighed the evidence is not a basis for vacatur.

AAA Rule R-49(d)(ii), explicitly confirms that the arbitrator may award attorney's fees if "all parties have requested such an award or it is authorized by law or their arbitration agreement." R-49, American Arbitration Association, Construction Industry Arbitration Rules & Mediation Procedures (AAA 2024). This rule leaves no doubt that, when conditions are met, the arbitrator has direct authority to award attorney's fees. Here, the Arbitrator properly fashioned its Award to include attorney's fees pursuant to both S.C. Code Ann. §§ 27-1-15 and 29-5-10. For those reasons alone, the Award should not be disturbed, and the trial court did not err in rejecting Appellants' arguments.

III. The circuit court had no choice but to confirm the arbitration award where no clear mathematical error or manifest disregard of the law existed, and the Arbitrator acted within the scope of his authority.

Trial courts are bound to confirm arbitral awards, absent proper grounds for vacation, modification or correction. S.C. Code Ann. § 15-48-120 ("Upon application of a party, the court *shall* confirm an [arbitration] award, unless within the time limits hereinafter imposed grounds

[7] The Fourth Circuit has adopted a 12-factor test similar to *Jackson v. Speed* for evaluating the reasonableness of attorney's fees. *See Barber v. Kimbrell's Inc.*, 577 F.2d 216 (4th Cir. 1978). Nevertheless, in the arbitration context, our sister courts in the Fourth Circuit have repeatedly emphasized that arbitrators are not required to articulate a factor-by-factor analysis when awarding attorney fees. *See e.g.*, *Wells Fargo Advisors, LLC v. Watts*, 540 Fed.Appx. 229 (4th Cir. 2013) (court must defer to arbitrators' award of attorney's fees despite the panel providing no detailed explanation of the basis for the precise amount); *See also MCI Constructors v. City of Greensboro*, 610 F.3d 849, 862–63 (4th Cir. 2010) ("It is well settled that arbitrators are not required to disclose the basis upon which their awards are made and courts will not look behind a lump-sum award in an attempt to analyze their reasoning process." (collecting cases)); *NTCH, Inc. v. Huawei Technologies USA, Inc.*, C.A. No. 3:15-CV-03631-TLW, 2016 WL 3440626 (D.S.C. June 23, 2016) (district court declined to review an arbitral award of attorney's fees line-by-line, noting arbitrators are not required to disclose their reasoning for a lump-sum fee of attorney's fees).

are urged for vacating or modifying or correcting the award.") (emphasis added). "[T]he provision for judicial confirmation carries no hint of flexibility and the statement the court must grant the application unless the award is vacated, modified, or corrected is one which unequivocally tells courts to grant confirmation in all cases, except when one of the prescribed exceptions applies." *Henderson v. Summerville Ford- Mercury, Inc.*, 405 S.C. 440, 454, n. 7, 748 S.E.2d 221, 229, n. 7 (2013) (quoting *Hall St. Assocs. v. Mattel, Inc.*, 552 U.S. 576, 587 (2008)).

Because there exist no grounds upon which the trial court could vacate, modify of correct the Award, the trial court properly performed its ministerial duty in confirming that Award and issuing judgment against Appellants in the amount of $245,157.94.

The $245,157.94 judgment remains wholly unpaid to this day. Icon is entitled to that sum from Appellants plus *per diem* interest and all of its additional attorney's fees and costs incurred through this appeal.

CONCLUSION

This appeal is not a true challenge to an arbitration award under the South Carolina Uniform Arbitration Act or South Carolina common law. It is an attempt to delay enforcement of a money judgment by asking this Court to do what it cannot: reweigh evidence, reconsider damages, and substitute judicial judgment for the arbitrator's judgment. The record reveals no disregard of clearly established law, no irrational award, no miscalculation of figures, and certainly no basis to disturb the finality of the arbitration. The trial court rightly rejected this effort. This Court must do the same by affirming the trial court's order.

(Signature page follows)

Respectfully submitted,

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