

Exhibit 1

STATE OF SOUTH CAROLINA)
)
 COUNTY OF ANDERSON)
)
 VERNON MERCHANT)
)
 Respondent)
)
 v.)
)
 JEREMIAH JONES dba WOODLAND)
 CARPENTRY)
)
 Appellant)
 _____)

IN THE COURT OF COMMON PLEAS

ORDER ON APPEAL FROM
THE MAGISTRATE’S COURT
2025-CP-04-01360

RECEIVED
Jan 22 2026
 SC Court of Appeals

This appeal from the Magistrates Court came before me on September 4, 2025.

The dispute in this matter involved a construction project performed by Appellant for Respondent that consisted of two separate repairs. The first involved replacement of windows in a sunroom and the second involved the replacement of cypress siding on the same home.

Significantly, at trial, the Magistrate’s Court ruled that the two repairs constituted two separate and distinct contracts. This finding was un-appealed.

With regard to the replacement of the sunroom windows, despite not having paid the full price for the project, Respondent wished to be reimbursed all monies he had paid because the windows installed by the Appellant didn’t perfectly match the existing windows in the room. The magistrate found that Appellant had substantially complied with the requirements for the window replacement and that Respondent was not entitled to any money back on the window project.

With regard to the replacement of the cypress siding, Respondent had requested he be awarded the \$4,200.00 that he had paid towards the purchase of the cypress siding boards. The Appellant had collected funds for the purchase of the cypress boards but never paid the money to

the supplier and ultimately had the boards returned. Appellant did not perform any repair work with regard to the siding. Appellant instead used the \$4,200.00 from the deposit paid by Respondent for the cypress boards to offset the payment that would otherwise been due on the replacement of the windows. In essence, because of Appellant's self-help by appropriating the funds intended to purchase cypress boards to the window project, Appellant felt that he was made whole on the window project.

Because Appellant felt he was made whole, at trial he made no counterclaim for payment on the window project.

With regard to Respondent's claim for the cypress boards, there likewise was no counterclaim by Appellant.

The Magistrate treated the claim of Respondent as two separate contracts. Respondent "lost" his claim for reimbursement for the installation of the windows. In regard to the siding, the Respondent "won" his claim to be reimbursed for the \$4,200.00 deposited with Appellant to purchase cypress siding boards that were in fact never purchased.

On appeal, the Appellant argued that it should not have to reimburse the \$4,200.00 because it has been applied to the window project to make Appellant whole.

Respondent's lawsuit regarding windows replacement was dismissed by Court with no award to the Respondent. While the Court is sympathetic to Appellant's plight – performing completed work on the window installation project but only received partial payment – his decision not to file a claim for payment for the windows deprives him of any legal and equitable recourse. Hence, the Court has not been presented with any available legal recourse to benefit Appellant for payment on the windows project.

“The right of a creditor to apply a debtor's payments as it chooses, however, is qualified by the rule that where the creditor knows or should know the source of the funds from which it is paid, the creditor must, irrespective of the instructions of the debtor, apply those funds so as to protect the rights of the person supplying the funds.” Maddux Supply Co., Inc. v. Safhi, Inc., 450 S.E.2d 101, 316 S.C. 404 (S.C. App. 1994), American Oil, 298 F.Supp. at 534; Rural Plumbing & Heating, Inc. v. Hope Dale Realty, Inc., 263 N.C. 641, 140 S.E.2d 330 (1965); Northern Va. Sav. & Loan Ass'n v. J.B. Kendall Co., 205 Va. 136, 135 S.E.2d 178 (1964).

Here, the payment for the cypress boards was for a specific and separate and distinct project as found by the magistrate and with ample support in the record. Therefore, the Appellant cannot be allowed to allocate this to a separate project where he has an obligation to protect the rights of the person supplying the funds.

As such, the judgment of the Magistrate's Court is therefore AFFIRMED.

Vernon F. Dunbar
Circuit Court Judge



Anderson Common Pleas

Case Caption: Woodland Carpentry, Llc VS Vernon Merchant

Case Number: 2025CP0401360

Type: Order/Other

So Ordered

Vernon F. Dunbar